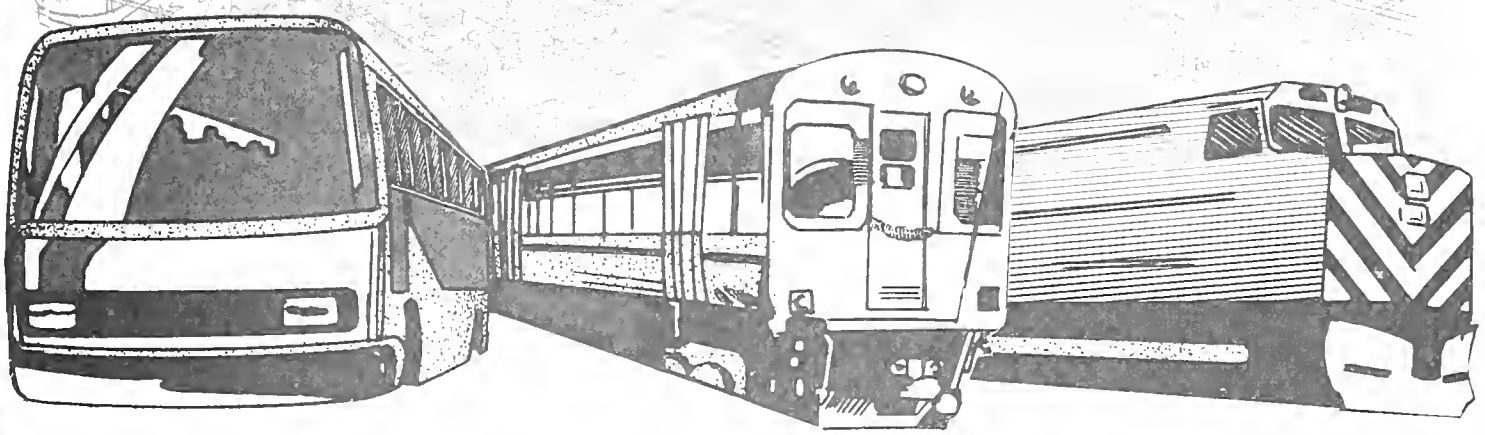
Regional Transportation Authority

Innovative Transit Cost Recapture Techniques



Overview Survey and Four Case Studies

northeastern illinois planning commission

INNOVATIVE TRANSIT COST RECAPTURE TECHNIQUES: OVERVIEW SURVEY AND FOUR CASE STUDIES

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To:

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Executive Summary

Purpose - This report presents the results of an examination and analysis of innovative ways for transit systems to increase revenues or decrease costs by capturing the value of their transit facilities. First, a survey was conducted of transit systems across the country to get an overview of the various innovative types of techniques that have been employed to capture the value of the transit system. Second, four case study examples were identified for indepth examination to focus on the underlying reasons for successful implementation of the different techniques.

Portland, Oregon - TRI-MET has developed a negotiated investment technique, used in purchasing transit transfer center sites. Three suburban examples note the methods used to induce the property owner to sell and thereby reduce the agency's acquisition cost. Two examples of joint development planning are cited, one of which has entailed much difficulty and serves to describe the complexity of the negotiation process.

San Francisco - The San Francisco Municipal Railway has enacted a Transit Impact Development Fee, a one-time fee assessed to developers of new office space in the central business district. The rationale for the policy comes from substantial increases in service-sector development, which will require increases in public transit service. A contribution by the developers is intended to defray the costs of new service. A lawsuit brought by developers has prevented the actual implementation of the new fee.

New York City - A special development district was established by ordinance in 1971, with a detailed plan specifying mandatory and elective requirements for developers at each site. The emphasis was on pedestrian circulation and transit-access improvements, designed to provide an attractive and coordinated development. Incentives were provided for increased floor area ratios as inducements. Much of the original plan has been altered for a variety of practical reasons. The basic principles have survived and subsequently applied in newer zoning ordinances elsewhere in the city.

Washington, D.C. - The Washington Metro has a number of well-documented and successful attempts at joint development. The Farragut North station features an office building constructed on WMATA property. The details of the financial arrangements provide a look at the intricacies of joint development negotiations. Direct connection to the transit system from within the building demonstrates the mutual benefits available to private developers and public transit agencies.

Attachments - Following the report, copies of ordinances and designs provide further information for each case study.

Introduction

This report presents the results of an examination and analysis of innovative ways for transit systems to increase revenues or decrease costs by capturing the value of their transit facilities. First, a survey was conducted of transit systems in twenty-seven cities across the country to get an overview of the various innovative types of techniques that have been employed to capture the value of the transit system. Second, four case study examples were identified for indepth examination to focus on the underlying reasons for successful implementation of the different techniques.

Attachment 1 lists the twenty-seven examples of transit cost recapture techniques that were identified from a literature search, the purpose of which was to get a sample of techniques from across the country, from large and medium size metropolitan areas and from both rail and bus transit systems. Ten cost-recapture techniques were identified in this survey, including: leasing air rights, joint development, negotiated investments, promotion of development, negotiated land leases, connector fees, special assessment districts, maintenance fees, shared costs, and tax increment financing. After consultation with the RTA, four of these examples were selected for indepth examination to document the underlying reasons or "secrets" for success.

The four cities selected were Portland, Oregon, New York City, Washington, D.C., and San Francisco. The Portland example illustrates using shared acquisition costs for their transfer centers. In San Francisco, a transit impact fee was created to pay for increased service needs caused by new office developments. In New York City, a special development district was created to coordinate new building developments with transit access. In Washington, D.C., a station entrance was built inside a newly-constructed office building as part of a joint development project. Each is different and seemingly successful. The structure of this report is to present a summary of the methods of each technique followed by a current status report, detailing the successes obtained and lessons learned.

This report was compiled and written in the summer of 1986, and has been selectively updated prior to publication.

I. Portland, Oregon

Portland's Tri-County Metropolitan Transportation District (TRI-MET) serves a metropolitan area of over one million people with a bus system and one light rail line which opened late in 1986 (in east Portland, to Gresham). TRI-MET has developed a negotiated investment technique involving the purchase of property for a transit transfer center and a park-and-ride facility. (See reference 2) The agency negotiated with a shopping center developer who desired a zoning change for his development, which is adjacent to a proposed light rail line. TRI-MET, in cooperation with the County Planning Commission, has required the owner/developer to donate a parcel of land for the public transit facilities in exchange for the zoning change.

The most important aspect to TRI-MET is the avoidance of the purchase cost of property by the transit agency. The developer can contribute in one of two ways. He can accept 80% of the market value of the parcel. Thus UMTA will pay for it with its 80% grant, while the developer donates the other 20%. He can also give TRI-MET 20% of the property and sell the rest for the grant money. In either case, by bargaining with the county zoning designation, the transit agency receives needed property while UMTA capital funding pays for it. The developer will receive his zoning change by, in effect, providing the local match to the grant. The negotiated investment results in a mutual benefit.

Three recent examples of land purchased for transit centers by TRI-MET serve to illustrate. All are outside of Portland, in nearby suburbs served by the bus system. (See map, Figure I-1) They are followed by two other situations, which are examples of combining negotiations with joint development.

Three Bus Transfer Centers

The location in Beaverton (Site 1 on map) is a 4.7 acre site, surrounded by undeveloped land, that will eventually accommodate 17 buses. The site was vacant and on the market for a long time. The owners were anxious to sell their investment, which they made a decade earlier. TRI-MET offered them 80% of the appraised value, which they accepted. The remaining 20% not paid may be used as a tax deduction by the sellers, since it was technically a donation. Nearby landowners are cooperating with the public transit agency to share the cost of required roadway improvements to provide access.

The second example, in Hillsboro (Site 2 on map), is land occupied by a vacant warehouse and owned by the city. It was donated two years earlier for tax purposes when a packing plant moved. The site is at the end of a bus route, and is located in a commercial and industrial area. A 300-space park-and-ride facility is planned, along with eight bus bays on the four-acre site. TRI-MET paid 70% of the appraised value. The other 30% will be used as matching dollars for right-of-way construction with capital grants.

The third bus transfer site is in Tigard (Site 3 on map). It is planned for 11 buses on a site just under one acre. The general development at this site is commercial, and it is expected that nearby establishments will benefit from the transit center location. Part of the site is occupied by a Greyhound bus depot, which will be shared jointly. The city offered an auto body shop owner 80% of market value so the shop could be removed to make room for the transfer facility.

Construction has begun on the Beaverton and Tigard sites. In all three cases, the emphasis is on the relative ease of negotiations with a single owner. They were negotiated under the implied threat of condemnation, providing the owners with an inducement to sell and acceptance of the 70%-80% of market value. No TRI-MET money was actually involved in the purchases; all were bought using capital funding provided by the state or UMTA. The three sites are relatively small, and no specific joint development is planned. But they do show how negotiated investment can work towards local cost-saving for a public transit agency.

Gateway Station

A somewhat different situation occurred at the Gateway Station site on the Banfield light rail line (Site 4 on map). This particular station, located about midway along the route in Portland's eastern suburbs, is projected for heavy ridership. During the original right-of-way acquisition, TRI-MET obtained an additional 40-acre parcel for a park-and-ride facility. The cost of the site was locally funded.

TRI-MET hoped to attract a mixed-use development adjacent to the station and parking lot, though they had no control over nearby private property. They proposed the use of air rights over their tracks, and 20% of the parking lot area, for the building of a $7 million YMCA development. Special zoning was obtained for the Y's development. The

lobby and pool for the building will be built in the parking lot property, with the main structure on piers over the right-of-way. The pier configuration will cost an extra $300,000, so TRI-MET will reciprocate by charging no rent for nine years. UMTA will actually fund 83% of the project, which will offset lost lease payments.

In order to obtain UMTA funding, a project must be transportation-related. Federal grants, of course, funded the right-of-way purchase, above which the air rights will be leased for the building. Although the parking lot is locally owned, federal funds may be used in a future land purchase to replace the lost parking spaces. This, in effect, produces a land swap which is in technical compliance with UMTA requirements of land used for transportation purposes. The negotiations to set up this project lasted over a year, and it is now part of the standard formats adopted by TRI-MET. This deal is a good example of the potential for land swaps and joint agreements.

Beaverton/Sunset

Another example in Portland serves to illustrate joint development planning with negotiated investment, and the complications which may ensue. The location is west of Portland and north of Beaverton, along the Sunset west-side development corridor (Site 5 on map). TRI-MET wishes to build an $8 million transit center along a proposed light rail line, currently operated with buses.

This is the first major highway west of downtown Portland, and the first major parcel of undeveloped land. The developer thought his project was alongside the first phase of a light rail route, at a point where two lines would diverge. Increasing ridership on the light rail would offset cost of the development, which would not be fully completed for ten years. But the route will remain buses-only, indefinitely, making the developer unhappy. Things are further complicated by the fact that the developer is not the landowner.

The planned development consists of 1.5 million square feet of retail and office space, plus a hotel. There will be several six-to-eight-story office buildings with ground-level retail space. A series of pedestrian corridors with retail shops would connect the office structures and the station, which is one-and-a-half blocks away. Under Section 381d of the Surface Transportation Act of 1982, UMTA would pay the $300,000 cost of the pedestrian corridor to the mall. The regulations specify funding may be used for appropriate transit-related purposes.

TRI-MET wants 13 acres for the transit center and a 600-space park-and-ride facility. The property owner, under the threat of condemnation, offered $850,000 worth of land to TRI-MET. The owner would provide a long-term lease on the adjacent property to the developer, who in turn was willing to pay the $1.2 million local match grant required by UMTA. The difficulty arises in placing the parking facility, the transit center and the mall buildings in a juxtaposition that will satisfy UMTA, TRI-MET, the developer and the owner. The exact locations of transit-related facilities can be altered through a series of land swaps.

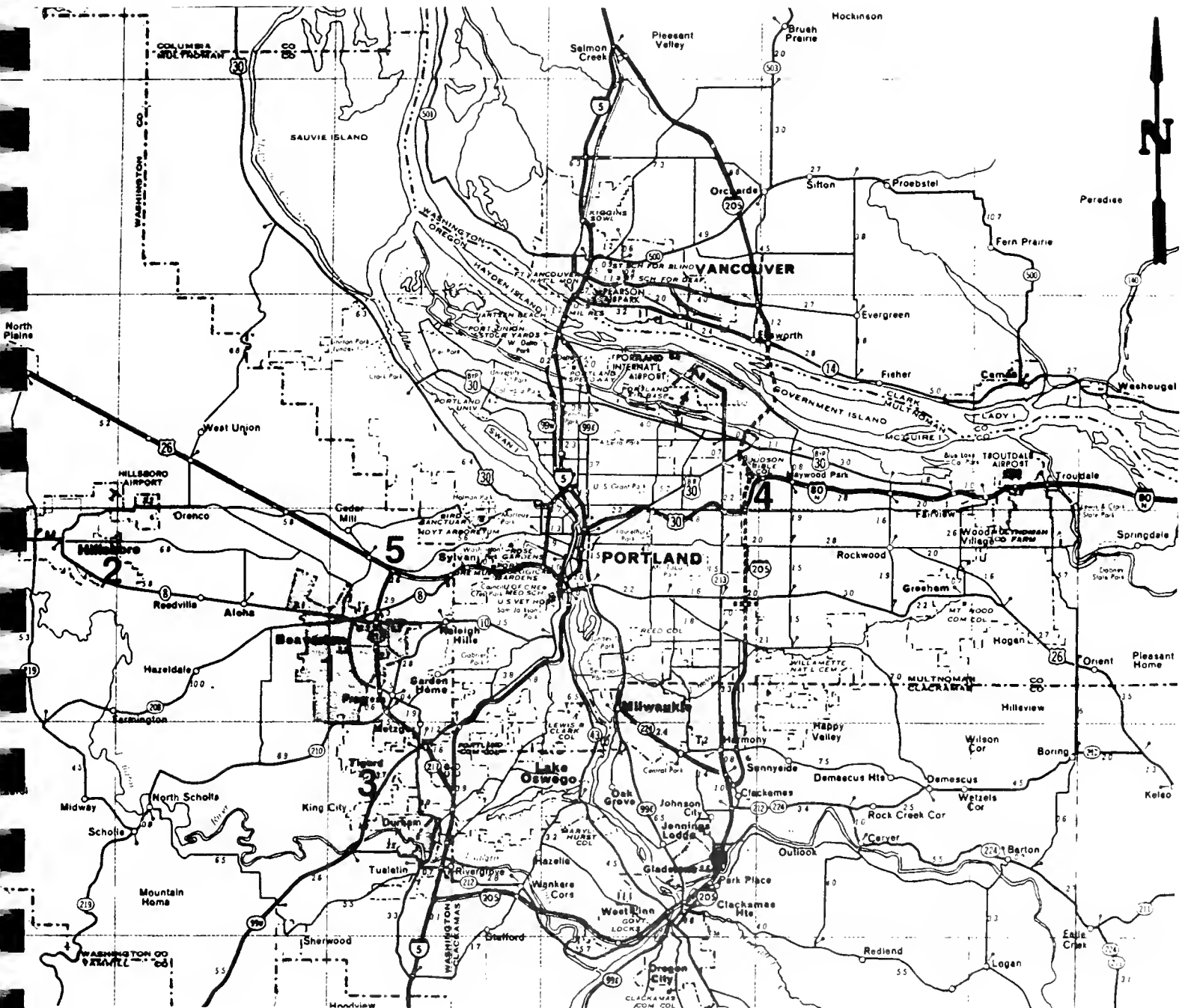
The deal that was originally negotiated collapsed in 1985. The UMTA-dictated change from light rail to bus was the major problem. The future hotel operators and the developer dislike buses, fearing that buses might attract a less-desirable clientele than would a light rail line. Complications also arose when the property owner wanted a multi-story parking garage instead of a single-level park-and-ride lot. The developer objected, citing a cost more than double the $3,000 per space. There was also an objection to some access roads to the development. At present, the developer seems unconcerned whether the mall is close to, or connected with, the transit center.

The transit center is an integral part of the county's comprehensive plan, since they wish to avoid further highway improvements necessitated by automobile traffic. The intersection of the highways offers a complication in design, with a tunnel under the highway required for light rail and perhaps a different configuration for a bus interchange. It is presently unknown when or if light rail will ever supplant the bus route, and an exact timetable for funding by UMTA is uncertain.

A standard complaint, noted in this example, is that good-faith negotiations are often rejected by UMTA, which of course does not please developers. Three-party negotiations are even more difficult. The transit agency negotiator must contend with the owner's and developer's conflicting desires, and at the same time satisfy UMTA requirements. The coordination necessary in such a joint development process is long-term. TRI-MET has deadlines for the donation of land contingent on the transit center being constructed within three years. At present, this particular project includes a somewhat reticent property owner and an anxious developer waiting in the background. This example clearly illustrates the effort required in such negotiations. It is expected that the agreement finally reached will provide a model for future joint development plans.

FIGURE I-1

Site Locations in Portland Area



II. San Francisco

San Francisco has a substantial public transportation network. One of the transit agencies, the San Francisco Municipal Railway (MUNI), operates the surface bus and streetcar lines, which are oriented to serve downtown San Francisco. They are heavily utilized, running at near-capacity and even over-capacity during peak periods. An historically low fare has contributed to the strong use and support of the system by the public.

Recognizing a forthcoming lack of transit funding, MUNI had been studying financial alternatives. It was determined that a substantial fare increase not only would still fall short of the needed revenue, but could perhaps be counter-productive. The system has a low farebox recovery ratio consistent with California practices of subsidization. In 1981, the Transit Impact Development Fee (TIDF) was enacted to obtain revenue for future services. It was a one-time fee to be assessed against all new office space in the central business district. (See Reference 2) The TIDF would be administered by the Public Utilities Commission (PUC), MUNI's financial overseer.

The rationale was simple. The service sector in San Francisco was increasing dramatically. A substantial increase in new construction and renovation for office space was projected in the downtown area. It was determined to assess only the office developments, excluding retail or residential space. The feeling was that developers should contribute toward the increased use of the MUNI system by new office workers. This new ridership would put pressure on MUNI for increased service, including new vehicles, personnel to operate them, and associated increases in maintenance. The new law states that MUNI and the PUC can allocate the funds as they see fit, but the TIDF would be used solely to finance the capital and operating costs necessary to provide the increased load capacity.

Implementing the Fee

A member of the Public Utilities Commission first proposed the Transit Impact Development Fee in 1981. (See reference 11) The rate was calculated at $5 per square foot of office space. Any newly developed office building or present building renovated to office space would be subject to the fee, which would be due before a building permit was actually issued. The basis was a standard projection of the useful economic life of a building at 45 years, and the cost to provide transit service over that period.

The boundaries of the central business district were broadly defined. (See Figure II-1) All of the financial and retail districts, and the Government Center and City Hall, were included. This area is subject to the increased pressure of office space for the growing service sector. Especially significant is the developing area south of Market Street; this former light industrial and warehouse area is being replaced by more offices for the expanding financial district.

The impact fee is often subjective from an administrative point of view, and is not the easiest to assess. For instance, common space in a multi-use retail and office building must be allocated by percentage to what is subject to the fee. There are also extremes in the sizes of the development projects. The largest is a high-rise with over one million square feet of office space, assessed at $5.4 million. The smallest is a former store which was renovated for office space. Credit given for previous retail use has reduced the 850 square feet of space to only 59 square feet actually subject to the fee. Larger developers can usually absorb a flat fee on their new high-rise, while a smaller developer might pay a larger percentage of his cost in impact fees.

Other problems arise from how the fee is computed and when it is due. The fee is due before a building permit is actually issued for a new building, or when a final certificate of occupancy is issued for a rehab. Developers question the administrative leverage forced on them in the different situations. The validity of the analysis techniques determining the fee has also been challenged, and was a critical part of a lawsuit. According to the administrator, it would have been easier to collect amounts due under an assessment district, but this approach had no political support.

There is an obvious need for substantial increases in MUNI's ability to serve the growing daytime population of downtown San Francisco. Travel habits have been studied and projections made. A demanding public wants low cost, frequent and reliable service. MUNI says it can guarantee more people would ride public transit if space was available, but they have no excess vehicles to increase capacity. Without increases in service, only the substitution of the larger light rail vehicles (LRV) for standard-sized streetcars would help. This was demonstrated when, one year ago, 100 new LRVs went into service on crowded routes and they were immediately filled to capacity.

FIGURE II-1 TIDF Boundaries

Source: Public Utilities Commission

Special interest groups concerned about uncontrolled growth are in favor of the developers paying new infrastructure costs, including transit services. Independent audits showed the $5 fee was actually underestimated, and should have been in the $8-10 range. The County Board of Supervisors, which enacted the impact fee, has since updated the figure to $9. The current arbitrary $5 fee is the law right now, and it is presently not politically feasible to attempt to raise it.

An alternative special benefit assessment was also considered, which would have included all landowners, old and new. Little support for this was found among the present landowners. Though a special benefit assessment would seem more uniform, the reasoning of new service needs being funded by the new developments was considered sound. The TIDF was deemed the most expedient to implement, and the most logical.

Nonetheless, the concept of the fee was challenged almost immediately in a class action suit, instigated by the largest developers. They claimed that the fee was in fact a tax, which under Proposition 13 requires a two-thirds majority in a voter referendum, and was therefore unconstitutional. Litigation began in late 1981. The court ruled for the city in September 1984. The TIDF was found legal and reasonable in every respect.

The Present Situation

The lower court ruling was appealed by the developers. Legal experts in the city attorney's office were optimistic of a favorable decision. The Appellate Court issued a decision in January 1987, upholding the basic issue of the TIDF's constitutionality, and the California Supreme Court refused to hear a further appeal. Curiously, there is little animosity, as most developers understand and accept the concept. Their objection was not that they shouldn't contribute, but rather that all landowners should pay for the transit service. Two developers in the suit, however, were declared exempt from the TIDF by the Appellate Court. These developers had argued that their permit applications were in progress before the regulations were enacted. The PUC is appealing that aspect of the case, with a decision expected from the California Supreme Court in the fall of 1987.

The impact fee has continued to be collected, under a consent decree which put all payments into an escrow account. The uncertain future of the TIDF left the PUC with a staff of one to administer and collect the fee. By mid-1986, 188 projects had been identified as subject to the fee. Only 136 of these were far enough along in the processing to estimate that $75.4 million would be due from them. In turn, 52 of these were invoiced for $27.5 million, but actual cash collected amounted to only $16.7 million. The dollar figures reflect the large amount of money involved in the TIDF. A second staff member was subsequently added to clear up the administrative backlog, and with smoother collection, $31 million of a projected $78 million is now in the bank.

Countering the legal victory for the PUC is the fact that office development has all but stopped. A downturn in the economic cycle has recently produced a glut of office space and a 15% vacancy rate. Six major projects have recently pulled out, replaced by smaller conversions, leaving a fairly static number of 190 building projects to be assessed. One office project was changed to a seven-story retail development, exempting it from the potential office-related fee of $3.1 million.

In addition, in late 1986 the voters passed Proposition M, promoted by growth-control activists but opposed by the Mayor. The referendum reduces the city's new-construction allowance of 950,000 square feet per year to half that amount. The reduction has led to a competition among developers during design reviews before the planning commission. Objective certification of compliance with building requirements now includes a subjective review of buildings with "architectural significance."

These two new factors in the situation, while dramatically slowing the pace of office development, have not altered the TIDF collection process. The Public Utilities Commission is concentrating its efforts on collection of assessed fees due under the now-approved law. Allocations to the Municipal Railway can now be planned, though MUNI does not expect to spend any of the funds before 1989. The benefits of the Transit Impact Development Fee are yet to be realized.

III. New York City

In 1971, the Special Greenwich Street Development District was created, using an established method of coordinated large-scale planning in New York City. The intention was orderly development of a 24-square-block area of Lower Manhattan. (See Figure III-1). The "G-District", as it is called by those who work with it, established a distinct entity designed to coordinate development and funding. Since the specifics were already outlined in the District plan, time and money savings would occur by eliminating the need for extra permits or zoning negotiations.

Controlled design of a specific sector must entail the inclusion of precise requirements for developers. (See reference 15) For the user, the plan provided for open spaces and attention to pedestrian needs. Most important to this report, it provided for pedestrian-access improvements to rapid transit services. The area, near Wall Street and the World Trade Center, is well served by three routes of New York's subway system as well as PATH trains from New Jersey.

Aspects of the District Plan

The Development District hoped to attract developers by providing a smooth flow in administration. Costs to the individual developer would be reduced by minimizing delays and conflicts. The plan had specific blocks mapped out with requirements for each, thus eliminating the need for specific permits and special hearings with planning and zoning boards.

The choice of a particular block for proposed development came with a specific list of pedestrian and transit connections, and alternative designs for shopping arcades. Mandatory and elective lot improvements with specific parameters were spelled out for private developers. (See Figure III-2). The mandatory ones had to be included in the development design, while elective improvements were discretionary. In addition to lot improvements, the Greenwich Street District incorporated mandatory and elective Pedestrian Circulation Improvements (PCI). Mandatory requirements included pedestrian bridges connecting buildings, and open decks or large plazas. Electives included pedestrian tunnels and subway entrances. The PCI were perhaps the most significant and innovative aspects of the Development District.

FIGURE III-1

Greenwich Street Development District
(outlined by dotted lines)

Source: Reference 15

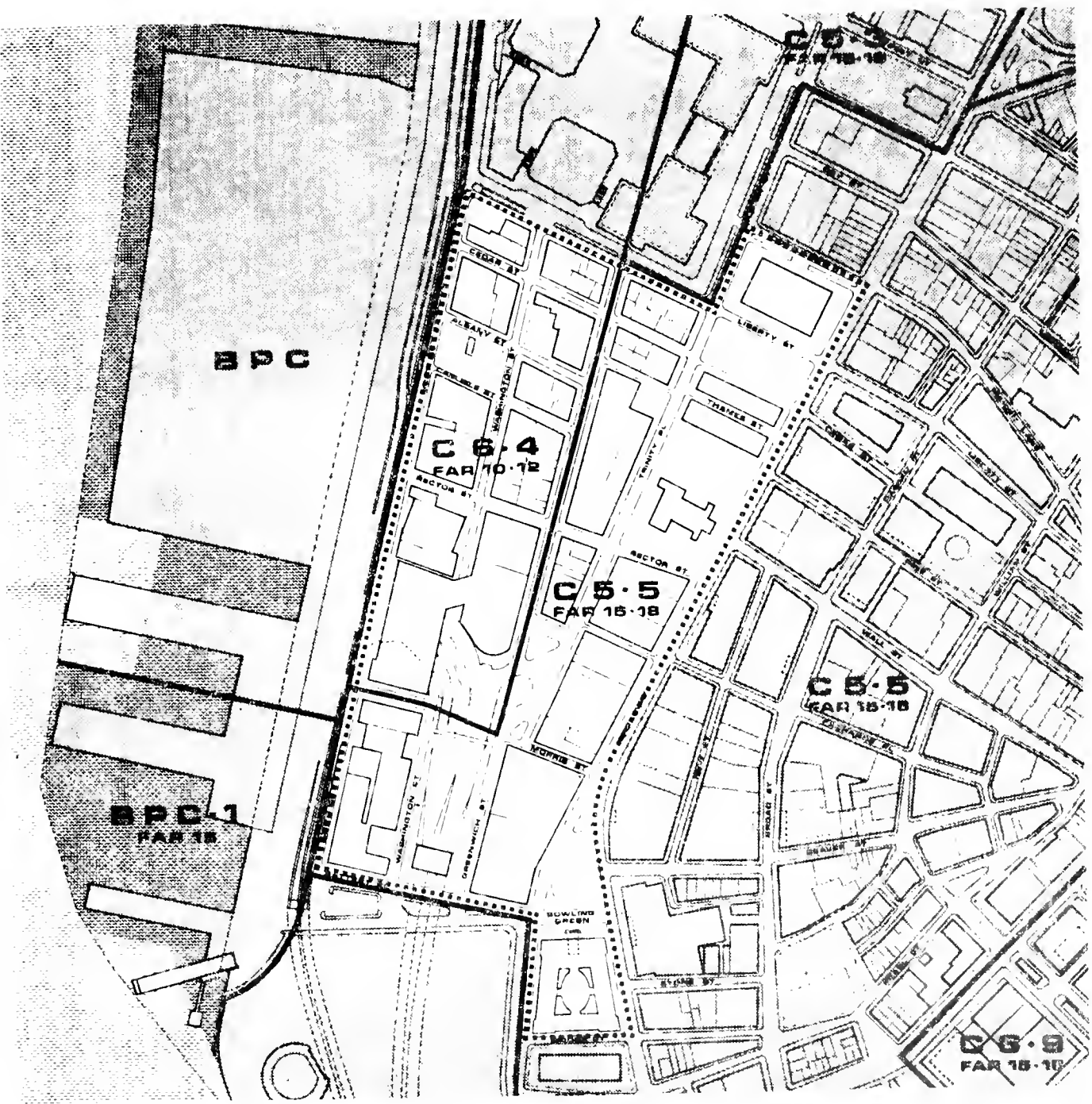
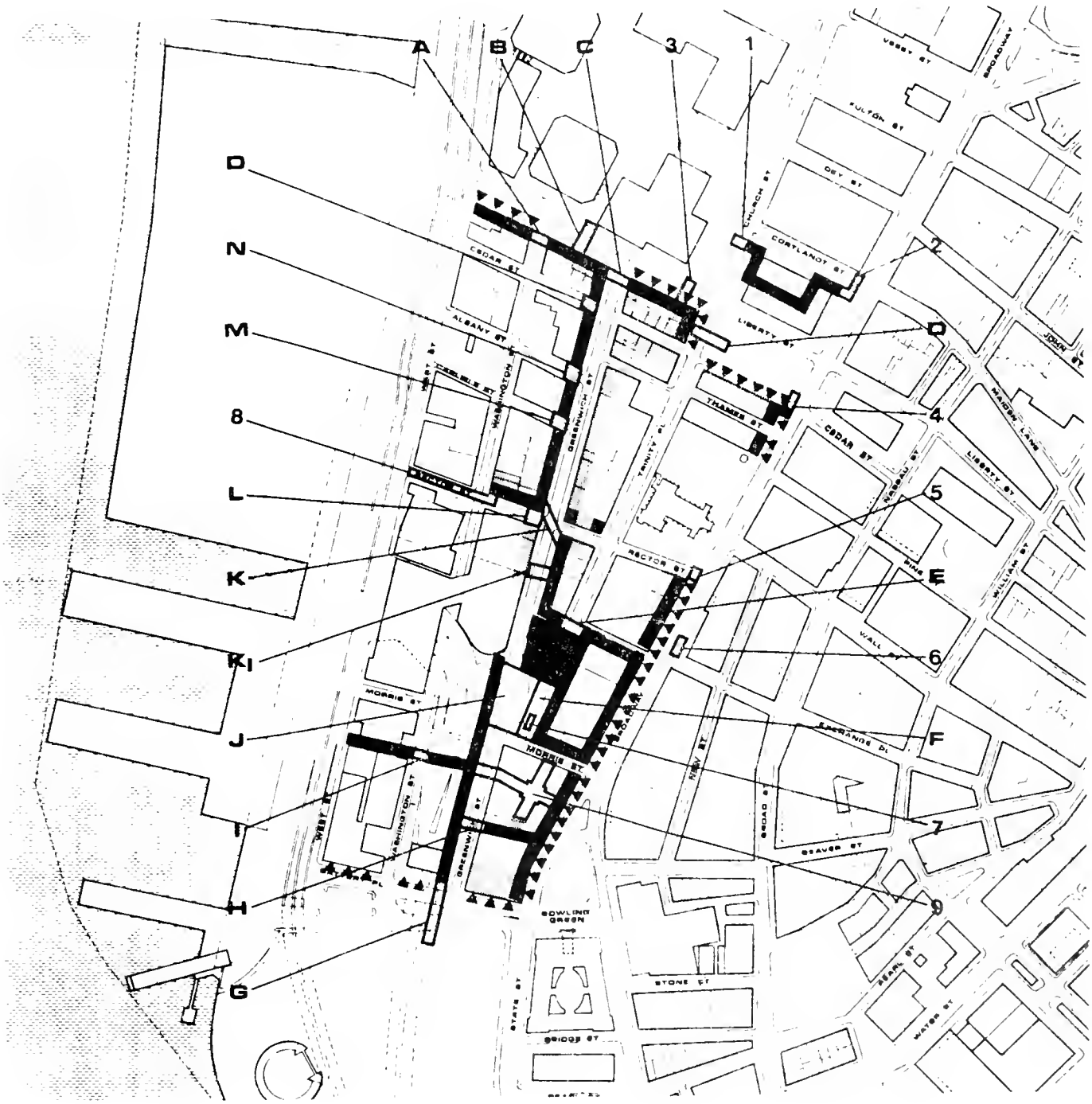


FIGURE III-2

Planned Pedestrian Circulation and Lot Improvements

Source: Reference 15



1-□ ELECTIVE PEDESTRIAN CIRCULATION IMPROVEMENT

A-□ MANDATORY PEDESTRIAN CIRCULATION IMPROVEMENT

■ MANDATORY LOT IMPROVEMENT

▼▼ BUILDING TO STREET LINE

PREFERRED LOT IMPROVEMENT

Increased floor area allotments provided incentives, which allowed the potential developers to increase the standard floor area ratio (FAR) of 10 up to 15 or in some cases to 18. All improvements were accompanied by specific FAR allowances for the extra effort and expense to the developers. Thus the rentable space could be increased to the developers' obvious benefit while at the same time the District achieved its overall desires.

A District Fund was established, functioning as a variable-sized elective PCI. Various combinations of improvements often would result in an odd-number FAR. To even things out, or to increase floor area to the maximum allowed, developers could contribute $6.75 per square foot to the Fund. This money was allocated for improvements to the subway stations.

Space for retail shops was an important aspect of the planned design. Specific requirements called for 2 1/2% of the total floor area of new buildings to be reserved for retail and service facilities. The planners perceived that these were rapidly disappearing as higher rents caused a turnover of potential retail space to banks, travel agencies and the like. An increasing need for restaurants and shops was thus addressed, important to attraction of pedestrians. More open space was also planned. Preservation of existing parks and open space was to be augmented by new open space, such as plazas and large walkways. Such amenities are also essential to attract the desired pedestrians and ease circulation.

Pedestrian circulation goals were designed to facilitate pedestrian movement within the District and also to surrounding areas. In fact, the whole system was oriented to the already-developed Wall Street area to the east and the World Trade Center to the north, as well as the proposed Battery Park City development to the west. Second-level walkways would alleviate congestion on the streets below, while redesigned transit access would provide smooth movement into the transit system. The streets themselves would then have an orderly movement for necessary deliveries and services.

Direct subway access was planned from the new developments to nearby stations. (See Figure III-3) Entrances would be relocated from the sidewalk areas to the inside of the new buildings. Seven stations with insufficient turnstiles and narrow entrances would be provided with new and larger entrances. A smooth flow of pedestrian movement would encourage increased use of transit, with the improvements built and paid for by the private developers instead of the public New York City Transit Authority.

FIGURE III-3

Greenwich Street Area Subway Lines

Source: Reference 15

SUBWAY SYSTEM

- TRACK
- PLATFORM
- CONCOURSE
- STREET ACCESS
- BUILDING ACCESS

How the Plan Currently Functions

The Development District was intended as a link between the rest of Manhattan and Battery Park City, coinciding with development of the World Trade Center. The initial interest was the attraction of developers who were not coming of their own accord. But the timing was wrong. In the early 1970s, the fiscal crisis in New York City reverberated throughout the city. Though no fault of the District itself, the economics of the city affected the plan from the beginning. There was a sudden glut of office space, and some tenants moved out of the older office buildings in the District. Some of these were rehabilitated into residences, with many co-ops remaining today. This situation has created difficulties in land assembly and has limited some of the envisioned block plans.

The overall plan was an example of a large-scale effort to achieve orderly development along with people-and-transit-oriented aesthetics. Fifteen years later, the Greenwich Street District still exists, but many changes from the original plan have taken place. Time and experience have altered the way it functions, and not much of the planned development has occurred. Only three development blocks have actually been built (of some 29 in the plan), with two more soon to come. As a result, two aspects of the original District design have undergone unanticipated alteration: the Pedestrian Circulation Improvements and the District Fund.

The Pedestrian Circulation Improvements (PCI) have undergone constant revision as the reality of slow development has evolved. First, the mandatory lot improvements, including pedestrian connections between buildings and to subway stations, were simply not built without the developments actually being constructed. Second, the elective PCI were met with some indifference by developers who perferred to contribute to the Fund to attain additional floor allowances. Thus the continuity of the entire design has been thwarted by the slow progress.

The second-level walkway concept was a result of the area's topography. The Greenwich District area is at a lower elevation than the area to the east, and the walkways were planned to connect ground level from the eastern boundary, along Broadway, directly into a second level in the District. The walkways would interconnect with second-level plazas at the World Trade Center and those proposed in Battery Park City. But the World Trade Center was completed before much happened along Greenwich Street, while Battery Park City was only begun in 1980. Only the commercial core

of the latter is now complete, with the first-phase residential close to being finished. Battery Park City's master plan was changed in the meantime to use of ground-level walks, so much of the second level in Greenwich became somewhat moot. In addition, it seems that elevated walkways are contrary to New Yorker's behavior. They apparently would rather make their way through the congested streets, a kind of intangible that is difficult to foresee.

The District Fund has grown tremendously, with money left over but no projects. Required contribution is now over $20 per square foot, and the Fund grows further with interest earned. The Fund was intended as a small-change item, but the donations have been somewhat reluctantly accepted by the District to please the developers and their FAR desires. For example, an initial small contribution of $63,000 from one developer soon grew to $2 million, but the intended improvement work was performed instead by the World Trade Center as part of their project.

Public agencies, in most cases, have performed and paid for the transit improvements which the private developers were intended to build. Of the original nine elective PCI, designed to improve subway station access, eight were either completed by the Transit Authority in their capital improvement program or dropped from their plans. One of the transit-related lot improvements on a subway station was instead done under an "adopt-a-station" program. Recognizing new New York City Transit Authority (TA) needs, the District has tried to fulfill their changing priorities, coordinating those with a new list of elective PCI.

Consequently, zoning has frequently been amended. New electives are written for specific developers enabling attainment of their desired larger FAR. Despite careful planning and good intentions, jurisdictional problems still occur. The TA is overseen by the New York Metropolitan Transit Authority (MTA), the management organization above the operating agency. The Greenwich Street planners actually work with the MTA in writing the new PCI to assist and promote development in the District, but the TA has their own list of pet projects, and often complains about the project specifications.

The spending approval process has become a small political problem. Some opinions suggest improvements at the "other end" of the transit commuters' route, that is, elsewhere on the system. But the Fund must be used in connection with the District. New allocations will probably go to transit stations adjacent to the District, in order to

use it for its intended transit-improvement purpose. One recent example found the rules stretched slightly, again with a change in the wording of the zoning regulations. Stairway access to a nearby subway station was within the District, though the station itself was not. Some of the Fund, by agreement, was used for improvements to that station's street, outside the District.

The Special Greenwich Street Development District's plans have had to be altered and restructured over the years. But it has made a significant contribution to city planning. Four years ago New York City adopted a Midtown development plan which borrowed an idea from the District. It requires all developers on property adjacent to a subway station to move the existing stairway access from the sidewalk to the inside of the building. The regulation applies anywhere the building density exceeds 10 FAR. The District fostered that idea of density amelioration, and it is working well. The Greenwich Street District itself still functions as a working plan, balancing the original idealism with economic and political reality.

IV. Washington, D.C.

The Washington Metro is a relatively new rapid transit system which opened in the 1970s. It is operated by the Washington Metropolitan Area Transit Authority (WMATA). The system as planned is extensive, crossing District of Columbia boundaries into Maryland and Virginia. The concept of joint development is being applied at many station areas. The focus in this section is on the central city. (See Figure IV-1) In Washington itself, WMATA has promoted direct connections to the system (called system interface), which provide that private developers pay for the costs and follow design standards, as well as true joint development (public-private) projects. Some projects have already been successful in terms of ridership generation and orientation to the new system.

WMATA acquired a large amount of land through excess condemnation, as part of the overall purchase of right-of-way and station-area property. Contiguous parcels of property were acquired for future planning. Though following a strict definition of land for "transportation purpose", they foresaw the need to control land use to their advantage. Much of the control of station-area land has since been given to local jurisdictions, especially in the suburban areas, who then plan and negotiate arrangements for ancillary facilities. Potential developers must deal with the transit agency and the local governments, with each development designed and built using WMATA guidelines and standards.

One particular site in downtown Washington, Farragut North, is an early example of joint development planned by WMATA. It has been well documented. (See References 12,13, and 14). This station is in Washington's "new downtown," a few blocks from the old central business district and also from the White House, in an area which has seen much new building since 1975. It is considered a prime real estate area, with high-density office developments and strong retail facilities.

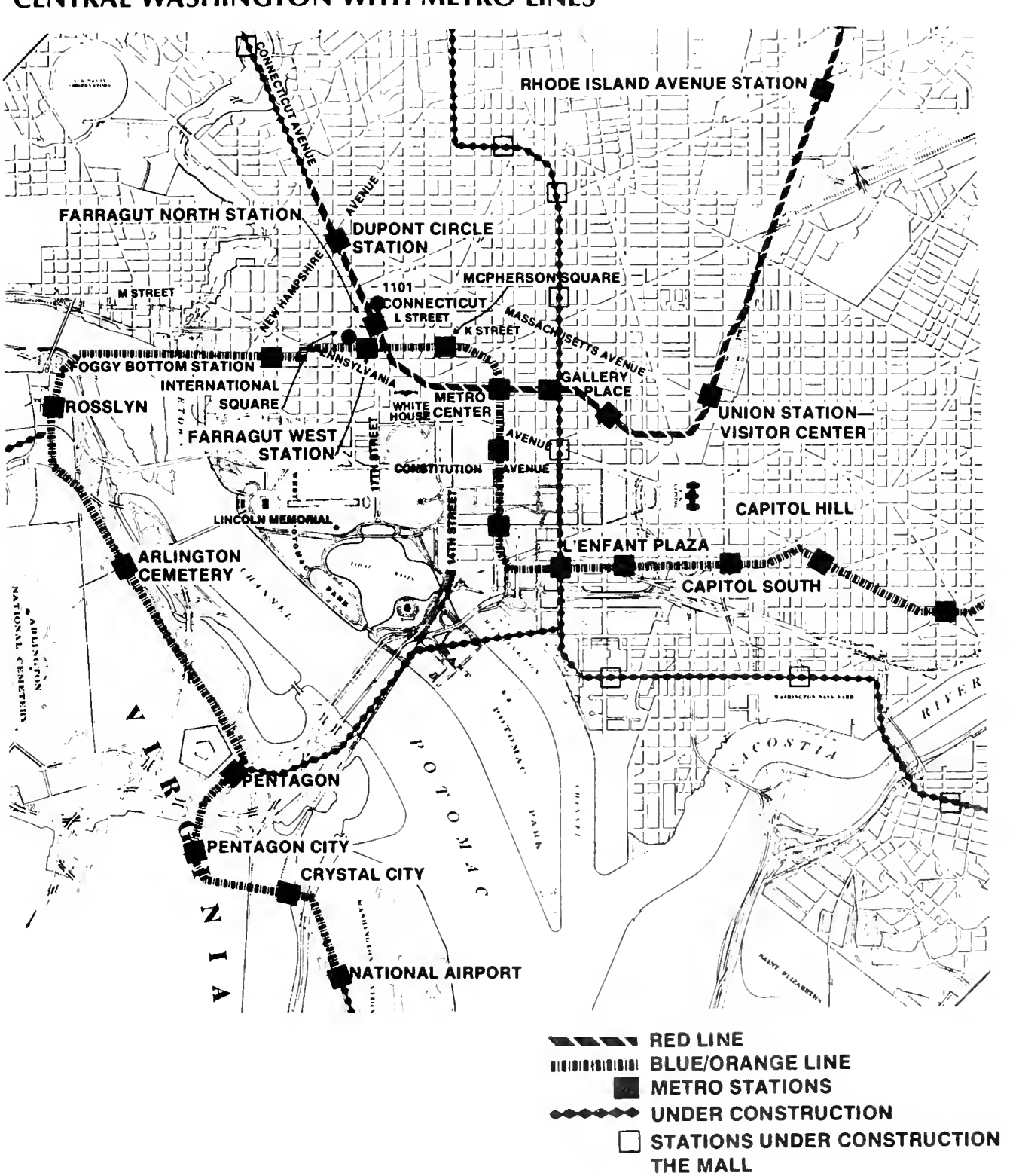
Farragut North

The station site was purchased in 1970 for $4.2 million, an assemblage of three smaller sites. It was WMATA's intention to exercise long-term control over the property, and earn income, at no risk to them, through private development. The location on the first phase of the system offered early benefits from potential ridership generation, with the station projected as a high-ridership stop on the future completed system. (See Figure IV-2)

FIGURE IV-1

WMATA Downtown Metro Lines

Source: Reference 12



After studying various proposals, a developer was selected and in 1975 signed a lease for the 1101 Connecticut Avenue site. Zoning was already in place. WMATA had strict plans for this building, and structured a deal that was considered a prototype for future arrangements. Their plan called for the developer to pay for all costs of connection to transit. WMATA's desires for ridership generation was paramount. The normal parking space requirement was waived, the first time for a commercial facility in Washington. This allowed more rentable space for the developer on a limited site, and also provided an incentive for transit use.

The building itself was designed to suit the relatively small site. The 18,000 square foot location allocated 3,000 square feet for Metro access. Convenient public access was implemented by locating the entrance inside the building, providing direct access to both the building and to the busy corner outside. (See Figure IV-3) The off-street entrance was one of three planned for the station to absorb future capacity. In fact, the entrance was in use before the building was actually constructed. It was the first phase of the development, designed to advertise the system and get the riders into the habit of using this station.

Retail space, including shops and restaurants, was designed for direct access to and from the station. The 12-story building has 14 levels, with two below ground level. The developer planned the available space to maximize his return, with space allocated for four retail levels (two above ground, two below) and 10 floors for office space. This amounted to 60,000 square feet for retail space and 160,000 square feet for office space. The requirements for private contribution to the public facility went so far as to require the station's air-conditioning system be located on the roof of the building.

The financial arrangements were intricate, with WMATA structuring the lease to maximize its benefit. A long period of legal negotiations was required, with procedures included for the administration of the lease payments and protection of the mortgage holder who financed the developer. The 50-year lease (with a further 49-year option), gave the air rights to the building on WMATA-owned land. The developer agreed to pay the transit agency a fixed-base ground lease of $248,000 and 50% of the net revenue after expenses from the rental income. A rather complicated formula for computing this figure was designed to protect both parties.

FIGURE IV-2

Farragut North Station Area

Source: Reference 16

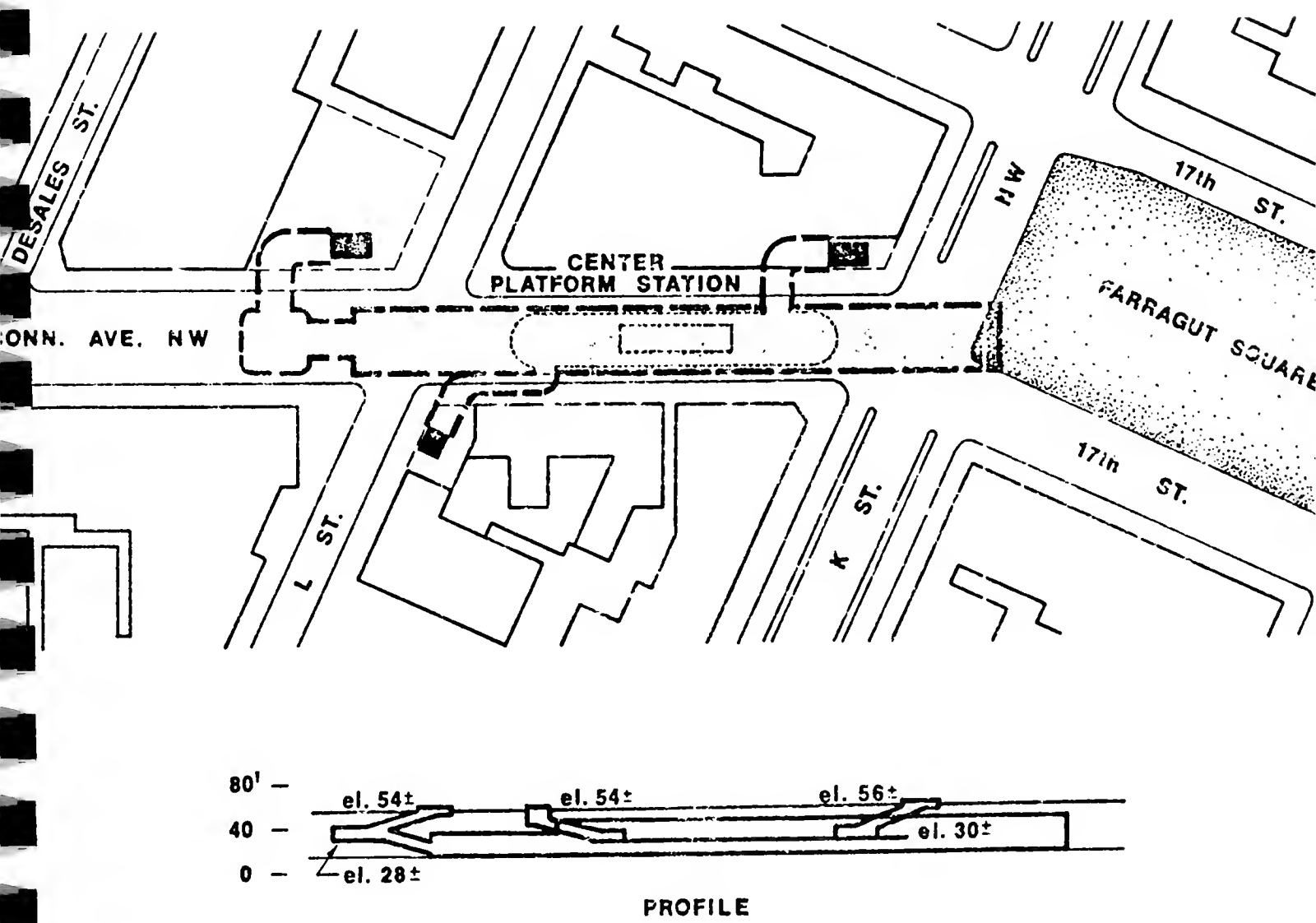
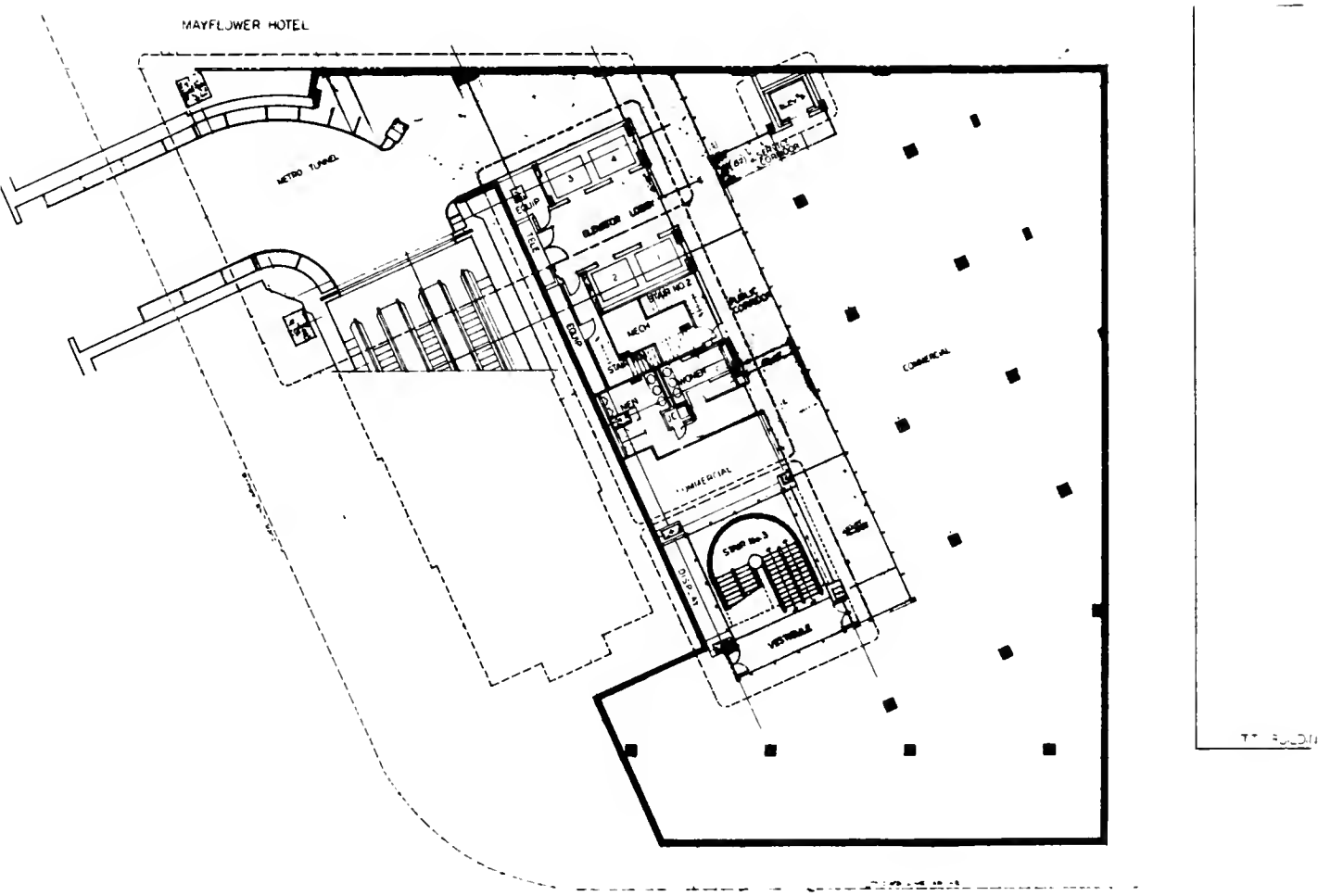


FIGURE IV-3

Building-to-Metro Access Plan

Source: Reference 16



Status of the Project

WMATA succeeded in the attainment of value capture through the joint development process, and will eventually recover the cost of the land. The developer, who constructed and will maintain the station entrance, made this investment to attain the location and the transit connection. The Farragut North station deal was the first negotiated by WMATA on its property. Though a small project, it has been successful for the developer and a valuable experience for the transit agency.

The location at 1101 Connecticut, only one block from Washington's prime real estate plot, has certainly been a factor. The developer has benefited from the reduction of front-end costs, such as land assembly, and WMATA's handling of all public policies and procedures. Eight years after the building opened, it has virtually gone according to plan. One problem developed with the original lease. The additional rent figure, which was based on net return, was found difficult to calculate since it depends on how the figures are structured. This has been corrected by WMATA's decision to use a percentage of gross return on future deals, enabling easier administration and less potential for dispute of payment computations.

Ridership has been stimulated by two factors: the no-parking-space provision and the large retail component of the building. Tenants of this and other buildings in the area utilize the convenient station layout. They have a direct tie-in from the mezzanine level of the station through the "Connecticut Connection" to the same-level retail shopping beneath the building. From the mezzanine, the riders have access to the building lobby and upper floors directly from the retail area, or they can proceed up a second bank of escalators to the street corner exit.

An interesting phenomenon has developed, which was completely unexpected by WMATA. There are three peak periods of travel on the system through this station, instead of only the two traditional morning and evening rush-hour peaks. The third peak is at midday. Riders are attracted from other areas of the city to utilize the restaurants and do some noontime shopping in both the 1101 building and the surrounding area. The presence of the Washington Metro, the overall lack of parking space and the joint development project have provided the impetus. The ridership generated has exceeded expectations, and has shown the potential of retail facilities as a ridership attractor.

New leasing arrangements on subsequent joint development projects are less complicated because of the lessons learned here. Other agreements of a similar nature have been negotiated. WMATA has tried to project income generation from development and thus realize an actual growth in their total income over time. A three-stage lease agreement has now evolved for all joint development projects. WMATA recognizes a development period of four years, during which the developer has no rental income. After construction, a minimum guaranteed rental becomes effective. The third stage involves additional rent based on a percentage of gross or net return from rentals paid by the building's tenants to the developer.

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Local Contacts

With appreciation to the following people for telephone conversations providing insight into the projects and current status of the projects. Some also included written material ( ).

New York City

Lois Mazzitelli, Manhattan Office, Department of City Planning (copy of original report and current zoning regulations)

Portland

Lee Hames, TRI-MET, Manager of Capital Program Planning (copies of project descriptions)

Phil Whitmore, TRI-MET, Joint Development Coordinator for light rail projects

San Francisco

Bruce Bernhard, Office of General Manager, San Francisco Municipal Railway (copy of original paper)

Leonard Tom, Administrator of TIDF for Public Utilities Commission (copies of current regulations and court rulings)

Washington

John Greene, Office of Planning and Development, WMATA

Attachment 1

Overview Survey of Transit Cost Recapture Techniques

EXAMPLES OF TRANSIT AGENCY COST RECAPTURE PROGRAMS

REFERENCES	CITY	PROJECT	POPULATION	POPULATION DENSITY	COST RECAPTURE TECHNIQUE	APPLIED TO BUS	APPLIED TO RAIL
10	Atlanta, GA	MARTA	1,613,357	1783	Leasing air rights		x
6	Baltimore, MD	Market Center	1,755,477	3357	Joint development		x
2	Bellevue, WA	Extension of Seattle Metro's services	73,903	NA	Negotiated investments, including: higher density zoning and parking facilities	x	
7	Bridgeport, CT	Fixed bus route	410,998	2491	Promotion of private development along bus routes	x	
3,6	Denver, CO	Civic Center	1,352,070	3080	Leased air rights	x	
2	Detroit, MI	Bus loading facility	3,809,327	3649	Negotiated land lease	x	
3	Fargo, ND	Bus Station	104,643	2325	Leasing of existing facility and shared maintenance cost	x	
2,8	Los Angeles, CA	New Metro Rail System	9,479,436	5189	1. Station cost sharing with private developers 2. Transfer of development rights 3. Station connector fees 4. Advertising fees 5. Concession fees 6. Special benefit assessment district		x

EXAMPLES OF TRANSIT AGENCY COST RECAPTRURE PROGRAMS

REFERENCES	CITY	PROJECT	POPULATION	POPULATION DENSITY	COST RECAPTURE TECHNIQUE	APPLIED TO BUS	APPLIED TO RAIL
2	Madison, WI	State Street Mall	213,675	2775	Special benefit assessment district and charges for maintenance costs	x	
2,9	Miami, FL	Downtown People mover system	1,608,159	4730	1. CBD Tax assessment district 2. Leverage leasing with shared cost 3. Tax increment financing		x
2,3	Miami, FL	Dadeland South Station	1,608,159	4730	Air rights leasing in exchange for ownership of station property		x
4	Montreal Canada		NA	NA	Connections from buildings to transit station, owned and maintained by the buildings.		x
1	New Jersey	Dept. of Joint Development in NJDOT	-	-	Promotion of joint development		x
10	New York, NY	Greenwich Street Station Development District	15,590,274	5552	Cash contributions or pedestrian circulation improvements by developers in exchange for floor area ration variances		x
3	New York, NY	72nd St. Subway Station Renovation	15,590,274	5552	Cash contributions by developer in exchange for zoning variances		x

EXAMPLES OF TRANSIT AGENCY COST RECAPTURE PROGRAMS

REFERENCES	CITY	PROJECT	POPULATION	POPULATION DENSITY	COST RECAPTURE TECHNIQUE	APPLIED TO BUS	APPLIED TO RAIL
2	Newport Beach, CA	Transit Center	-	-	Private donation of land	x	
4,6	Philadelphia, PA	Pedestrian acces to Gallery II shopping center	4,112,933	4052	Paid for by private developers and the Development Authority		x
2	Phoenix, AZ	Bus loading facility	1,409,279	2199	Negotiated land lease	x	
2	Portland, OR	Transfer Center	1,026,144	2940	Higher development densities in exchange for either a 20% reduction in fair market value of station land costs or donation of 20% of needed land for station.		x
3	San Francisco, CA	Capital and operating cost of peak period service on BART	3,190,698	4008	Developers required to pay one-time annual transit impact fee for system costs		x
4,10	San Francisco,	Embaracadero Station Consturction	3,190,698	4008	Tax increment financing		x
6	Santa Ana, CA	Transportation Center	200,000	NA	Air rights leasing	x	
2	Santa Cruz, CA	Metro Bus Center	123,226	1665	Leasing office and retail space in existing station building. Funds go to operating maintenance budgets	x	

EXAMPLES OF TRANSIT AGENCY COST RECAPTURE PROGRAMS

REFERENCES	CITY	PROJECT	POPULATION	POPULATION DENSITY	COST RECAPTURE TECHNIQUE	APPLIED TO BUS	APPLIED TO RAIL
2	Seattle, WA	Waterfront Street Car Line	1,391,535	2869	Local Improvement District: collection of a one time fee to finance part of the construction cost		x
2	Tacoma, WA	Transfer Center	402,077	2150	Negotiated land lease	x	
5,10	Toronto, Canada	Toronto Transit	NA	NA	Leasing air rights		x
4	Washington, DC	Farragut North Station	2,763,105	3424	Leasing of air rights and maintenance by the developer		x

Attachment 2

Bus Transfer Site Descriptions

Portland, Oregon

Beaverton Transit Center

PROJECT DESCRIPTION

The proposed site for the Beaverton Transit Center is located in currently undeveloped land on a parcel centered approximately 1,000 feet west of S.W. 117th Avenue and 700 feet north of the Tualatin Valley Highway in central Beaverton. The parcel is approximately 4.7 acres in size. Following is a vicinity map showing this proposed site. As the figure indicates, the development of two new streets and the extension of a third are required to provide surface traffic connections to this site. Buses serving the site will operate on all of these streets.

Attached is the site development concept for the proposed transit center. It will initially be developed to accommodate 17 buses meeting simultaneously. Space is available to expand this number easily to 22 buses to meet future needs. In addition, areas are shown for taxi and kiss-and-ride drop-off traffic, as well as short-term parking for automobiles waiting for transit patrons. The proposed site is surrounded by currently undeveloped land. A building permit has been issued for a retail shopping/office complex adjacent to the property.

The site is also bordered on three of its four sides by creeks draining into Beaverton Creek. These are drainageways that must be preserved and will make up a network of linear landscaped parkways enhancing the transit center. The proximity of these drainageways also requires special treatments in order to avoid the potential of flooding. The entire site is located within the 100 year flood plain of the Beaverton Creek. Recent structural improvements to this drainageway, however, have opened this area up for development subject to the following constraints being met:

1. No development can be allowed within the strip of land adjacent to the creek designated as the floodway. This strip is approximately 60 feet wide in the vicinity of the transit center site.

2. Other land within the 100 year floodplain of the creek must be filled to a level above the flood prior to development being allowed to take place.

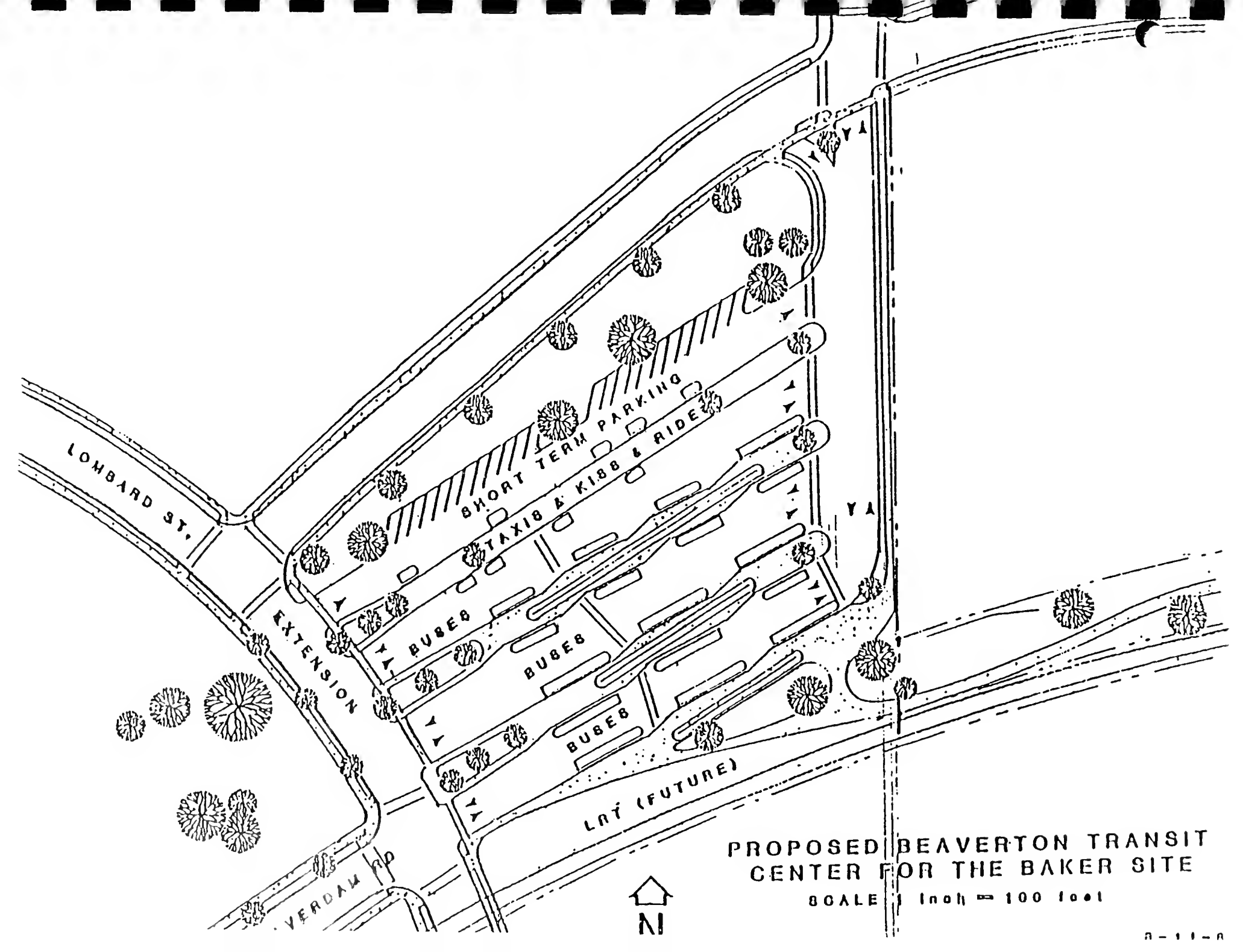
These needs can be easily met allowing full development of the site as a transit center, according to the proposed concept.

Land owners in the vicinity are currently drafting an LID proposal to establish their mutual relationship in developing the needed roads to serve this area. The roadway concept has been agreed upon in principle by affected landowners as well as the City of Beaverton and Tri-Met. The landowners have also agreed to develop these roads at their own cost to be divided among them based on the amount of land and traffic volume attributed to each parcel. Tri-Met will become responsible for that portion of roadway development cost in proportion to its percentage of associated land and traffic requirements. Actual amounts are yet to be determined based on the development of a design standard and associated facilities to meet the needs for these roads.

Beaverton Transit Center

Budget

Street Access		
*Streets		$ 300,000
Traffic signals		180,000
*Estimated L.I.D. requirement		
Civil		
Fill material (40,000 yds)		250,000
Concrete drives (including curbs)		810,000
Asphalt drives & parking (including curbs)		83,000
Concrete sidewalks and shelter loading pads		102,000
Storm water & catch basins		60,000
Sanitary sewer		20,000
Water supply		10,000
Fencing		24,000
Parking & crosswalk striping		5,000
Parking lot lighting		80,000
Architectural		
Shelters		520,000
Site furniture		30,000
Site signage		10,000
Shelter lighting		26,000
Landscape		
Landscape & irrigation		150,000
Governmental Fees		
Plan check fee, building permit fee, site and system development fees		40,000
	TOTAL	$2,700,000



PROPOSED BEAVERTON TRANSIT CENTER FOR THE BAKER SITE

SCALE 1 inch = 100 feet

8-11-8

EXHIBIT A

PROJECT DESCRIPTION

Hillsboro Transit Center and Park and Ride Lot

The proposed transit facility for the City of Hillsboro will consist of a transit transfer center and a park and ride lot. The eight-bay transit center component can be developed with an initial phase of three bays, while the park and ride lot, accommodating about 480 cars at full development, can be developed in the first phase as a 260 car facility.

Together, the transit center and park and ride lot will occupy a 6.25 acre site just west of downtown Hillsboro.

The site is roughly two-thirds of a large, rectangular block bounded by Washington Street, Adams Avenue, Baseline Road, and Dennis Avenue. Baseline Road and Oak Street (one block south) form a couplet carrying the area's principal commuter route (the Tualatin Valley Highway) through town. A railroad siding of the Southern Pacific Railroad crosses the east end of the site from north to south about 250 feet west of Adams Avenue.

The railroad siding would impose some design constraints on the project and possibly some restrictions on park and ride lot and transit center operations, if it cannot be abandoned. However, the siding's presence will not preclude using the site for the proposed transit purposes.

Immediately north of the site are commercial/industrial uses with low density residential development beyond. Commercial businesses and governmental offices occupy the block east of the site, with the central business district beyond. Commercial uses are located southeast and southwest of the site, with low density residential development directly south and beyond. West of the site are commercial and industrial uses. The pattern of land use is generally consistent with Hillsboro's comprehensive plan, and is likely to change very little through the end of the century.

The site itself is clear of building or other super structures, except for the railroad siding. However, large concrete floor slabs and concrete footings covering the eastern half of the site must be removed. The site is zoned for industrial use and served by all utilities. The City of Hillsboro owns the entire site and has proposed its use as a transit center. The site is for sale.

The transit center will have two facing platforms, with an aisle for two-way bus operation (Figure 1). The three-bay eastern platform, adjacent to the Adams Avenue blockface, and the bus operating surfaces can be built as a first phase. Shelter structures will cover most of the platform areas, benches and lighting will be provided. Sidewalks will be provided along Adams Avenue and Baseline Road.

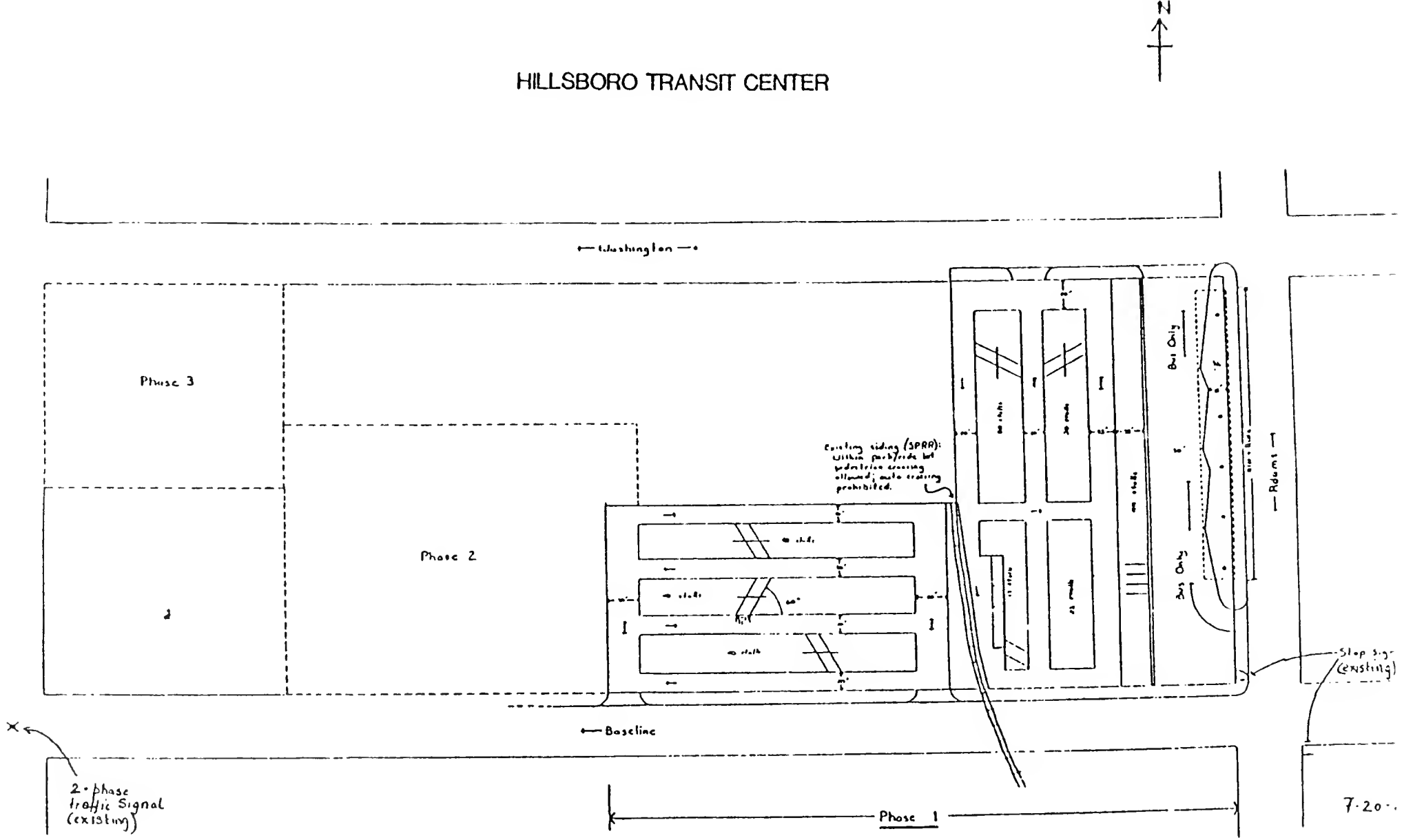
As a timed-transfer facility, the transit center will initially pulse every 15 minutes with two to three buses during peak hours and every 20 to 30 minutes with two buses during midday hours. By the late 1980's, peak hour pulses with six to seven buses every 15 minutes, and midday pulses with from two to five buses every 15 minutes are likely to occur.

When fully developed, approximately 260 cars will enter the park and ride lot during the morning peak hour and depart during the evening peak hour. The lot's capacity will be about 480 cars. Additionally, as many as 70 cars will drive up to the transit center along Adams Avenue during peak hour to drop off or pick up kiss-and-ride passengers.

Budget

Land Acquisition	$1,069,450
Architectural/Engineering Services	84,050
Construction	
Demolition	75,000
Site Improvements (Landscaping, curbs, sidewalk, lights, drainage, P.C.C. paving, A/C paving)	332,002
Passenger Shelter Structure (8,550 sq. ft.)	427,500
Permits and Plan Check Fees	6,000
Subtotal	$ 840,502
Total	$1,994,002

HILLSBORO TRANSIT CENTER



Project was reduced in scale to 300 spaces and only 4.0 acres rather than the original 6.25.

PROJECT DESCRIPTION

Tigard Transit Center

Tri-Met Transit Development Program (TDP) identifies central Tigard as the location of a major Transit Center to be in use by 1983 in coordination with planned transit improvements in the southwest area. After an alternative site analysis, an ideal site, was found on Commercial Street in downtown Tigard. The proposed .83 acre site,seven miles southwest of downtown Portland, lies between Commercial and the Southern Pacific Railroad approximately 200 feet from Main Street and two blocks from Pacific Highway, a major north/south arterial through the area, (See Figure 3). Main Street and Pacific Highway support a variety of commercial establishments, many of which have developed in the last two years. Relatively new light industrial facilities are quite numerous and combine to afford the area of good mix of business activities. A transit center at the proposed location would support these activities.

The proposed site is serviced by all utilities, is level, and is zoned C-3M, a main street commercial zoning. Adjacent land uses include a bank, farm supply store, shopping center, fire station, and railroad tracks. The site presently includes two buildings and a parking area, with approximately half the site being unpaved and vacant. The structures include an auto body shop to be sold with the property and a newer small commercial building now occupied by a Greyhound Bus Depot and a barber shop. As proposed, the auto body shop would be torn down and the bus depot building retained for joint use with Greyhound Bus Lines and later expansion of the transit center. Greyhound would provide normal tenant improvements. UMTA would fund,only transit-related (non-Greyhound) improvements. The rectangular lothas 325 feet of frontage with no curbs on the side of the street proposed for this facility. The proposed site is for sale, and its use as a transit center is supported by the City of Tigard which has assisted in the site identification.

The Tigard Transit Center is projected to operate as a major timed transfer center. Upon completion of the facility, eight (8) buses will meet at the transit center every twenty minutes during the rush hour and thirty or sixty minutes during midday, evening, and weekend hours. By 1986, some eleven (11) buses will meet at the transit center at the same time intervals. The facility is to consist of two long loading islands which will accommodate a total of eleven bus bays.

This application requests for land acquisition, construction, engineering and force work for this facility.

PROJECT BUDGET

TIGARD TRANSIT CENTER

Land Acquisition		$410,000.00	
A/E Services			
Design	$ 61,000.00		
Special Enginerring Services	4,500.00		
	$ 65,500.00	$ 65,500.00	
Construction			
Demolition		$ 20,000.00	
Site Improvements			
Landscaping (14,000 sq. ft.)	$ 14,000.00		
Curbs, sidewalks, and pavement (30,000 sq. ft.)	$238,300.00		
	$252,300.00	$252,300.00	
Building Remodeling (2,000 sq. ft.)		$ 52,500.00	
Passenger Shelter Structure (4,800 sq. ft.)		$276,400.00	
Permits, plan check, fees		$ 4,000.00	
TOTAL			$1,080,700.00

Attachment 3

Transit Impact Development Fee Regulations

San Francisco

SAN FRANCISCO PUBLIC UTILITIES COMMISSION

TRANSIT IMPACT DEVELOPMENT FEE REGULATIONS

1.0 Authority

The Board of Supervisors of the City and County of San Francisco have adopted Ordinance No. 221-84, amending the San Francisco Administrative Code by adding Chapter 38. This ordinance contains the legislative authorization for the imposition of the Transit Impact Development Fee (hereinafter TIDF). The development of new office uses in the downtown area increases the demand for peak period public transit service. This increased demand requires the expansion of Municipal Railway service which necessitates the purchase of additional rolling stock, the construction or expansion of facilities and additional associated operating and maintenance costs. The purpose of this ordinance is to require developers of new office uses in the downtown area to pay a fee which is related directly to the incremental financial burden imposed upon the Municipal Railway both for the acquisition of capital assets and for the long term operational expense of those new facilities required to serve the additional passengers generated by the new development.

No later than August of each year, the General Manager of the Public Utilities Commission (hereinafter PUC) transmits to the San Francisco Board of Supervisors a report regarding the current cost per peak period Municipal Railway person trip necessary to provide additional transit service required by new development. The Board of Supervisors conducts public hearings on the report, hears testimony from the public, and at the conclusion of the public hearings, sets the TIDF Schedule.

The TIDF Ordinance (hereinafter referred to as the Ordinance) empowers the PUC to adopt such rules, regulations and administrative procedures as it deems necessary to implement the Ordinance, including but not limited to such subjects as the determination, collection, refund, and utilization of the proceeds of the TIDF.

The General Manager shall prepare and submit to the PUC for review and approval, such rules and regulations as may be necessary for the implementation of the Ordinance. The General Manager shall further propose such amendments or additions to the rules and regulations that he or she determines to be necessary. The General Manager shall also maintain for public distribution, upon request, copies of the Ordinance and of the rules and regulations adopted by the PUC pursuant thereto.

The General Manager is responsible for collection of the TIDF. Questions about the TIDF will be answered by the PUC staff at (415) 558-2075.

2.0 Definitions

2.1 Office Use (or Space)

a. Office use means occupancy of a building or structure or portion thereof by business entities for the purpose of providing clerical, professional, business, financial or management services to other business entities, individuals or the public or for the purpose of meeting the needs of the occupying business entity for clerical, professional, business, financial, management, sales or other services except as otherwise provided herein. Where the words "office space" are used in this ordinance they shall mean the same as "office use."

b. Occupancy of a building or structure or portion thereof for the purposes and activities defined in Section 2.1.a. of these regulations shall be deemed office use even if it is not the predominant use in the building, structure, or portion thereof. Office use does not include space devoted to the management/administration of the following uses located in the same structure, or buildings, or portion thereof:

(1) Transient lodgings;

(2) Sale of merchandise or personal services at retail to the public;

(3) Storage of goods or vehicles;

(4) Buildings or portions thereof exclusively devoted to machines, computer equipment, telephone equipment, mechanical equipment, electrical equipment, or other utility operations;

(5) A building or portion thereof exclusively devoted to the storage of money, valuable securities or other valuables;

(6) Manufacturing activities;

(7) Residences.

2.2 Gross Floor Area

Gross floor area shall mean floor area as defined in San Francisco City Planning Code 102.8.

2.3 Gross Square Feet of Office Use

Gross square feet of office use shall be defined as the total square feet of space or gross floor area in a building or

within a structure devoted to office use as specified in these regulations including any common areas exclusively serving office use and not serving any other use (such as retail, manufacturing, etc.). Where a structure contains more than one use, areas common to two or more uses, such as lobbies, stairs, elevators, rest rooms and other ancillary space included in gross floor area that are not exclusively assigned to one use shall be apportioned among the two or more uses in accordance with the relative amounts of gross floor area, excluding such space, in the structure or on any floor thereof directly assignable to each use.

For example, if office use occupies 80% of total gross floor area minus common areas, then 80% of the space devoted to common area use will be designated as office use. The total square footage of office use plus the apportioned square footage of common area yields total gross square feet of office space. As floor space excluded from the definition of floor area under the Planning Code is not included in the calculation of gross floor area, neither will such be considered as part of apportioned common areas.

2.4.1 Net Increase or Increases

Net increase or net increases shall mean the difference between the number of gross square feet of office use existing on a lot after completion of a new development, as herein defined, and the number of gross square feet of office use on the site prior to initiation of a new development.

The base square footage from which the net increase in gross square feet of office use is calculated shall be the greater of (1) the square footage on the site of the project on June 5, 1981, or (2) on the date of the filing of the permit application. For applications filed after June 5, 1981, if there is more square footage on the site on the date of the filing of the permit application than on June 5, 1981, the additional square footage shall be counted as part of the base square footage only in the event the addition was authorized by permit issued by the City and County of San Francisco for which the TIDF was calculated and paid, unless the project was not lawfully subject to the fee. In cases of projects described in Section 2.5.3. the base square footage shall be the square footage of office use on the site on the date the application for the project is filed.

2.4.2 Non-Office Use Credits

The following credits shall be allowed for building uses that are converted to office use in making the determination of the Transit Impact Development Fee amount. Non-office uses that are merely renovated without conversion to office use are not eligible for credits.

Building Use	Credit Factor
Office	1.00
Retail	
- Department Store	0.93
- General Retail Stores	
- Restaurants/Cafes	
Retail Services	1.00
Wholesale/Display	0.46
Hotels/Transient Lodging	0.36
Industrial/Manufacturing/Auto Repair	0.17
Goods Storage/Distribution	0.11
Parking Garages	0.02
Educational/Cultural	0.77
Entertainment/Recreation	0.70
Institutional (Hospitals, Intensive Care)	1.00
Housing/Resident Hotels	0.10

Project owners/developers shall provide documentation of the amount and type of non-office use that existed on-site on June 5, 1981 or prior to conversion to office use to the General Manager of the Public Utilities Commission, or his designee, before the credit is granted.

Project owners/developers who already have had fee determinations made and/or have made fee payments are eligible for non-office credits and they should file such requests in writing with the General Manager of the PUC, or his designee.

2.5.1 New Development

New development is any new construction or the addition, alteration, conversion, enlargement, extension or rehabilitation of an existing structure which includes the net addition of gross square feet of office use.

2.5.2 In Line Projects

Pending review by the Board of Supervisors of the applicability of the Ordinance to the below enumerated class of projects, new development shall not include new construction or the addition, alteration, conversion, enlargement, extension, or rehabilitation of an existing structure for which a valid building permit was issued prior to June 5, 1981, provided that one or more of the following had occurred prior to June 5, 1981:

(1) In the case of new construction or the addition, alteration, conversion, enlargement, extension or rehabilitation of an existing building involving building on vacant land, whether previously occupied or not, the site or portion thereof on which the new building or addition, alteration, conversion, enlargement, extension or rehabilitation of an existing building is to be located has been fully prepared and the first

structural element has been erected thereon or the foundation has been completed.

(2) In the case of the addition, alteration, conversion, enlargement, extension or rehabilitation of an existing building not otherwise described in paragraph (1) above, any work has been performed to change the configuration of space in the existing structure by the movement of walls or otherwise;

(3) In the case of a conversion of space within an existing structure not requiring any physical changes nor a building permit, the space is first occupied for office use.

Projects which meet the above criteria shall be referred to as In Line Projects.

2.5.3 Exceptions to Section 2.5.2

Notwithstanding Section 2.5.2, new development shall include any new construction or the addition, alteration, conversion, enlargement, extension or rehabilitation of an existing building for which an owner or developer received approval by the Planning Commission where such approval was conditioned in part on payment of a reasonable fee or other financing mechanism designed to enable the City to operate additional transit service to serve the project and other projects.

2.6 Downtown Area

The downtown area is that portion of the City bounded by Van Ness Avenue as far north as Broadway, from Van Ness Avenue and Broadway easterly on Broadway to Sansome Street, then northerly on Sansome Street to the Embarcadero, then southeasterly on the Embarcadero to Berry Street, then southwesterly on Berry Street to De Haro Street, then southerly on De Haro Street to Alameda Street, then westerly on Alameda Street to Bryant Street, then northerly on Bryant Street to Thirteenth Street, then westerly on Thirteenth Street to South Van Ness Avenue, then northerly to Van Ness Avenue. The downtown area includes all property with an address on any of or within the area surrounded by the above enumerated boundary streets on June 5, 1981 or at any time thereafter.

2.7 Building Permit

Building permit shall mean a site permit within the meaning of building Code Section 302.A.7 where one is applied for; otherwise it shall mean a permit within the meaning of Building Code Section 302.A.

2.8 Temporary Permit of Occupancy

Permission which is granted by any authorized entity or official of the City and County of San Francisco including the Superintendent of the Bureau of Building Inspection, to occupy any building, structure or portion thereof for office use prior to completion of the entire building or structure.

2.9 Certificate of Final Completion and Occupancy

The certificate of final completion and occupancy is the certificate of occupancy issued by any authorized entity or official of the City and County of San Francisco including the Superintendent of the Bureau of Building Inspection, or his or her designee, pursuant to Building Code Section 306.A.

2.10 General Manager

General Manager shall mean the General Manager of the PUC or his or her designee.

3.0 Procedure

3.1 Filing of the PUC Footage Reporting Form

A PUC Footage Reporting Form must be filed in connection with any application involving a net decrease in or an addition to office use whether arising from new construction or an addition, alteration, conversion, enlargement, extension or rehabilitation of an existing building in the downtown area.

On this form the applicant must report that information which the General Manager has deemed necessary to the determination of the net increase or net decrease in the number of gross square feet of office use.

The PUC Footage Reporting Form will be available for distribution at the San Francisco Public Utilities Commission Finance Bureau, 425 Mason Street, 4th floor, San Francisco.

The Bureau of Building Inspection shall transmit to the PUC copies of applications for all B-2 occupancy building permits and for permits involving a change of occupancy to office use within the downtown area. In addition, the Central Permit Bureau shall transmit to the PUC copies of those applications involving conversion of other space within B-2 occupancies to office use in the downtown area. All PUC footage Reporting Forms submitted to the Bureau shall be transmitted along with the applications.

Within 7 working days of receiving the permit application, the PUC General Manager shall advise the Central Permit Bureau as to which applications propose office uses subject to the

Ordinance. The applicant shall also be advised in writing by the PUC that the project is subject to the fee, that a PUC Footage Reporting Form must be filed and that without the PUC Footage Reporting Form the General Manager cannot determine the fee and the permit will not be issued.

Revisions to plans submitted in connection with pending applications for building permits, and applications for alterations for permits issued, which revisions or alterations involve changes in floor area or occupancy in the downtown area, will be treated in the same manner as the initial application. PUC Footage Reporting forms or revised PUC Footage Reporting Forms must be filed and the TIDF finally determined pursuant to these regulations before such amendments will be approved and permits issued.

All PUC Footage Reporting Forms shall be kept on file by the General Manager

3.2 Initial Determination of Fee

Following the filing of the PUC Footage Reporting form, the General Manager shall forthwith determine whether additional information is needed. If such information is needed, a request for additional information shall be mailed to the applicant.

Once the General Manager has all the necessary information, he or she shall determine the fee. The General Manager shall forthwith mail this initial determination to the owner of the property on which the new development will occur and to the applicant. In the event there is more than one owner of record, the determination shall be mailed to the owner or other person designated by the owners to receive property tax bills.

3.3 Appeal of the Initial Determination

The owner or applicant may appeal each separate initial determination to the PUC by filing written notice of the appeal in the office of the General manager, Room 287 City Hall, San Francisco CA 94102 within 15 working days from the date of mailing of the initial determination. The owner or applicant may appeal the determination of the number of gross square feet of office use subject to the fee, or the useful life category if the fee schedule includes useful life categories, in order to reduce the amount of the fee obligation. Any initial determination not appealed within 15 working days of the date of mailing of the initial determination becomes final.

In the written notice of appeal, the appellant shall specify the grounds for the appeal and wherein the initial

determination is erroneous. The PUC shall determine the appeal on the basis of the written notice of appeal, a written response from the staff of the PUC, which response shall also be mailed to the appellant, and any written rebuttal from the appellant. Appellant's written rebuttal must be filed within 10 working days of the date appearing on the staff response. The PUC shall issue a written decision after the expiration of the deadline for the submission of the appellant's rebuttal. This written decision shall be deemed the final determination of the fee.

3.4 Final Determination of Fee

Once a determination becomes final, either because no appeal was taken from the initial determination or by virtue of the final determination following an appeal, the General Manager shall mail such final determination to the Central Permit Bureau and to the property owner or applicant. The Bureau may not issue a building permit for new development in the downtown area unless it has received such final determination.

The final determination shall also be deemed a bill for the fee, which shall be due upon the eligibility date.

4.0 Eligibility Date

The bill for the TIDF is due upon the eligibility date, which is the earliest of the following dates:

a. the date when 50% of the net rentable area of the project has been occupied;

b. the date of issue of the first temporary permit of occupancy with respect to any office use in the new development;

c. the date of request for a certificate of final completion and occupancy.

The Bureau of Building Inspection shall notify the General Manager whenever a temporary permit of occupancy is issued and when a certificate of final completion and occupancy is requested with respect to any office use in the downtown area.

A reminder of the bill shall be sent by the General Manager when eligibility for fee payment occurs. The reminder does not constitute the bill or establish the due date; it is merely for convenience of the owner or developer. Failure of the General Manager to comply with this requirement shall not alter the obligation to pay the fee or the date on which it is due.

5.0 Fee Payment

5.1 One Time Fee Payment

For new developments within the downtown area for which building permits were issued on or after June 5, 1981, the fee is due in full on the eligibility date. Fee payment shall be delinquent 60 calendar days from the date the fee is due.

5.2 Eligibility for Installment Payments

For new developments within the downtown area for which building permits were issued prior to June 5, 1981, the fee may be paid in installment payments.

The final determination shall advise whether the fee may be paid in installments and, if the fee may be so paid, the final determination shall also advise that an election to pay by installments must be delivered to the General Manager within 15 working days from the date of mailing of the determination.

5.3 Election to Pay by Installments

An election to pay in installments shall contain an acknowledgement of the obligation and shall be on a form prescribed by the General Manager.

If the fee may be paid in installments, the General Manager shall include with the notice of final determination a copy of the prescribed election form.

5.4 Installment Payments

By delivery to the General Manager of the written election to pay the fee by installments, the owner of a new development is obligated to pay the fee in monthly installments of interest only, at the rate of one percent (1%) per month, over a period of five (5) years, and thereafter in level monthly payments of principal and interest, at the rate of one percent (1%) per month on the outstanding balance, amortizing over (1) the remaining useful life of the development or (2) thirty (30) years, whichever is the shorter, such payments to be made on or before the first day of each calendar month during the payment period.

The first monthly installment shall be due on the first day of the first calendar month following the date the fee would otherwise become due and such first payment shall be prorated according to the number of days by which the due date follows the date the fee would otherwise become due.

Each installment payment shall be delinquent 60 calendar days from the date on which it is due.

6.0 Issuance of Certificate of Final Completion and Occupancy

The General Manager shall inform the Central Permit Bureau when the fee has been paid in full or, in the case of election to pay in installments, when the first installment of the fee has been paid. No city official or agency including the Bureau of Building Inspection may issue the certificate of final completion and occupancy until it has been so informed.

7.0 Credit Toward Payment of Other Fees

7.1 One Time Fee Payment

In the event that the City shall impose and collect any additional fees or assessments specifically to recover the costs of transit services, including transit services the cost of which are included in the fee imposed by Section 38.4 of the Ordinance, the owner of a new development for which the TIDF has been fully paid shall annually receive a credit, up to the total mount of such fees or assessments, of that portion of the prorated annual amount of the TIDF equal to those costs of transit services included in such fees or assessments which are also included in the TIDF. The prorated annual amount of the TIDF is obtained by dividing the total TIDF already paid by the estimated useful life of the development in years.

The General Manager will determine the exact amount of the fully paid TIDF that may be credited toward payment of other fees or assessments intended to recover the cost of transit service by comparing those costs included in the TIDF and those included in such fees or assessments.

This determination shall be appealable and become final under the same procedure as specified under Section 3. wherein the General Manager determines the applicability and amount of the TIDF.

7.2 Payment by Installments

In the event that the City shall impose and collect any additional fees or assessments specifically to recover the costs of transit services, including transit services the cost of which are included in the fee imposed by Section 38.4 of the Ordinance, the owner of a new development for which the TIDF is being paid in installments shall annually receive a credit, up to the total amount of such fees or assessments, for that portion of such annual installment, whether interest only or principal and interest, equal to those costs of transit services included in such fees or assessments which are also included in the TIDF.

In the event the City shall impose and collect any additional fees or assessments specifically to recover the

costs of transit services, including transit services the cost of which are included in the fee imposed by Section 38.4, the owner of a development for which the Transit Impact Development Fee will be due but has not been paid shall receive a credit against the development fee otherwise due in an amount equal to that portion of the transit impact development fee equal to the value of those costs of transit services included in such fees or assessments which are also included in the Transit Impact Development Fee.

8.0 Fee Refunds for Buildings which are Demolished or Converted to Non-Office Uses

8.1 One Time Fee Payment

In the event a structure for which this TIDF has been fully paid is demolished or converted to non-office use prior to the expiration of its estimated useful life, the City shall refund to the owner a portion of the amount of the fee determined by deducting an amount reflecting the duration of the office use in relation to the useful life estimate used in determining the TIDF for that structure.

8.2 Payment by Installments

In the event a structure for which the TIDF is being paid in installments is demolished or converted to non-office use prior to the final payment, installments shall continue only until the principal obligation is reduced to the amount which would have been refunded if the TIDF had been fully paid.

9.0 Fee Refunds When Building Permit Expires Prior to Completion of Work and Commencement of Occupancy

In the event a building permit expires prior to completion of the work and commencement of occupancy, so that it will be necessary to obtain a new permit to carry out new development, the obligation to pay the fee shall be cancelled, and any amount previously paid shall be refunded. If and when a new permit is applied for, the procedure set forth in Section 3.0, et seq. regarding the fee shall be followed.

10.0 Non Payment of the TIDF

10.1 Non Payment; Additional Request; Notice of Interest and Lien Proceedings

A. Where the transit impact development fee, not payable in installments is not paid within 30 days of request for payment and where the transit impact development fee is payable in installments and the installment is not paid within thirty days of the date fixed for payment, the General Manager or his

designee shall mail an additional request for payment and notice to the owner stating the following:

(1) if the amount due is not paid within thirty days of the date of mailing the additional request and notice, interest at the legal rate shall be assessed upon the fee or installment due.

(2) With respect to both non-installment and installment fees, if the account is not current within 60 days of the date of mailing the additional request and notice, the general manager shall institute proceedings to record a special assessment lien for the entire balance and any accrued interest against the property upon which the fee is owed.

B. Thirty days after mailing the additional request for payment the General Manager may assess interest as specified in paragraph (1) 10.1.A.(1) above. Sixty days after mailing the additional request for payment and notice the general manager may institute lien proceedings as specified in paragraph 10.1.A.(2) above.

11.0 BBI Responsibilities and Funding

Bureau of Building Inspection responsibilities in connection with the implementation of the TIDF Ordinance are contingent upon funding for this purpose. The Board of Supervisors by ordinance or the PUC by work order may appropriate funds for the Bureau's discharge of these duties.

0719F

Attachment 4

Transit Impact Development Fee

San Francisco Ordinance

FILE NO. 118-84-4

ORDINANCE NO. 491-85

EFFECTIVE: 11/21/85

(TRANSIT IMPACT DEVELOPMENT FEE)

AMENDING CHAPTER 38 OF THE SAN FRANCISCO ADMINISTRATIVE CODE BY AMENDING SECTIONS 38.1, 38.4, 38.10 and 38.11 RELATING TO DEFINITIONS, TIME OF IMPOSITION OF FEE, ASSESSMENT OF INTEREST, ACCELERATION OF FEE, AND IMPOSITION OF LIENS.

NOTE: Additions or substitutions are underlined deletions are indicated by ~~strikethrough~~.

Be it ordained by the people of the City and County of San Francisco:

Section 1: Section 38.1, of the San Francisco Administrative Code is hereby amended as follows:

Section 38.1. Definitions.

For the purposes of this chapter, the following definitions shall apply:

(a) BOARD. The Board of Supervisors of the City and County of San Francisco.

(b) CERTIFICATE OF FINAL COMPLETION AND OCCUPANCY shall mean a certificate of final completion and occupancy issued by any authorized entity or official of the City and County of San Francisco including the Superintendent, Bureau of Building Inspection, pursuant to the Building Code.

(c) CITY. The City and County of San Francisco.

(d) DOWNTOWN AREA. That portion of the City and County bounded by Van Ness Avenue as far north as Broadway, from Van Ness Avenue and Broadway easterly on Broadway to Sansome Street, then northerly on Sansome Street to the Embarcadero; then southeasterly on the Embarcadero to Berry Street; then southwesterly on Berry Street to De Haro Street; then southerly on De Haro Street to Alameda Street; then westerly on Alameda Street to Bryant Street; then northerly on Bryant Street to Thirteenth Street; then westerly on Thirteenth Street to South Van Ness Avenue; then northerly to Van Ness Avenue. The downtown area includes all property with an address on any of or within the area surrounded by the above enumerated boundary streets.

(e) GROSS SQUARE FOOT OF OFFICE USE. A square foot of floor space within a structure, whether or not within a room, to be occupied by, or primarily serving, office use.

(f) NEW DEVELOPMENT. Any new construction, addition, extension, conversion, or enlargement of an existing structure which includes any gross square feet of office use.

(g) OFFICE USE. Any structure or portion thereof intended for occupancy by business entities which will primarily provide clerical, professional or business services of the business entity, or which will primarily provide clerical, professional or business services to other business entities or to the public, at that location. Where the words "office space" are used in this ordinance they shall mean the same as "office use."

(h) PEAK PERIOD. The total number of minutes in an average working day, determined in accordance with Section 38.,5(a), during which the Municipal Railway deploys all its operable equipment so that the system experiences no excess vehicular capacity.

(i) PUBLIC TRANSIT SERVICE. Services of the Municipal Railway of the City and County of San Francisco.

(j) TEMPORARY PERMIT OF OCCUPANCY. Permission which is granted by any authorized entity or official of the City and County of San Francisco including the Superintendent, Bureau of Building Inspection, to occupy any building, structure or portion thereof for office use prior to the completion of the entire building or structure.

AMENDMENT OF THE WHOLE
AS AMENDED IN BD. 5/14/84

ORDINANCE NO. 224-84

FILE NO

(TIDF)

AMENDING CHAPTER 38 OF THE SAN FRANCISCO ADMINISTRATIVE CODE BY AMENDING SECTIONS 38.1, 38.2, 38.5 AND 38.8 THEREOF AND BY ADDING SECTION 38.8.5 THERETO RELATING TO THE PRINCIPLES TO BE USED IN CALCULATING THE AMOUNT OF THE TRANSIT IMPACT DEVELOPMENT FEE AND PROVIDING FOR ADJUSTMENT TO THE TRANSIT IMPACT DEVELOPMENT FEE IN CASES OF CONVERSION FROM OTHER USES TO OFFICE USE TO INCORPORATE THE TRIP GENERATION RATE OF PRIOR USE SO AS TO ACCURATELY MEASURE THE INCREMENTAL IMPACT OF THE CONVERSION TO OFFICE USE ON THE SAN FRANCISCO MUNICIPAL RAILWAY.

NOTE: Additions or substitutions are underlined; deletions are indicated by ((double parentheses)).

Be it ordained by the people of the City and County of San Francisco:

Section 38.2. Findings.

All office uses in the downtown area are benefited by virtue of the availability of the Municipal Railway as a means of transit for employees and customers.

The demand for public transit service from downtown area office uses imposes a unique burden on the Municipal Railway, qualitatively different than the burden imposed by other uses of property in San Francisco. The need for that level of service provided by the Municipal Railway during peak periods can be attributed in substantial part to office uses of property in the downtown area.

New developments will bring increased need for public transit service in the downtown area during peak periods. The Municipal Railway will be burdened with the demands of transporting a larger number of passengers. Future increases in demand for public transit service are therefore attributable directly to new development in the downtown area increasing the number of persons using the Municipal Railway during peak periods.

This increased demand must be met not only by the acquisition of new rolling stock and the addition of new services, but also by the employment of additional personnel and fuel to operate the added facilities, and the maintenance, repair and replacement of the additional facilities as they wear out or become obsolete.

That level of additional cost incurred by the City in expanding and operating, maintaining, repairing and replacing its public transit facilities to accommodate the additional peak-period person-trips generated by office use in new developments can be translated into a cost per gross square foot of office use in the new developments. The cost of expanding

current services and adding new services is directly proportional to the amount of peak-period Municipal Railway travel generated by new development. Development of office uses causes more additional Municipal Railway peak-period person-trips, per square foot, than the development of any other use of property in the downtown area. It is desirable to impose the increased burden of serving such use, through a fee approximating the cost per square foot, directly upon the developer of new development generating the need.

Even though other uses such as retail use also generate Municipal Railway peak-period person trips (and even if a particular alternate use were to generate more such trips than do office uses), the Board refrains from imposing the Transit Impact Development Fee on such uses at this time, and in that regard finds: (1) The vast majority of new commercial space in the downtown area will be devoted to office uses, and the primary cause for new peak-period Municipal Railway passengers will be the development of new office uses; and (2) a significant proportion of the new retail and service uses which will hereafter be developed in the downtown area will be constructed in connection with new office developments and, for that reason, limitation of the fee to office uses both ameliorates the economic impact of the fee on developers of office space and encourages the development of projects with mixed uses consistir of office, retail and service uses.

SEC. 38.3. PURPOSES. In order to be able to provide public transit services for new development in the Downtown Area, the City and County must impose a fee. This fee shall be known as the Transit Impact Development Fee.

It is the purpose of this ordinance to require developers of new development in the Downtown Area to pay a fee which is related directly to the incremental financial burden imposed upon the Municipal Railway both for initial capital outlay for the acquisition of rolling stock and the construction of facilities and for the long term operation, maintenance and replacement of those facilities once they are in place.

The Transit Impact Development Fee is the most practical and equitable method of financing the construction and operation of required public transit service additions and improvements for the Downtown Area. This fee is intended to recover all costs incurred by the Municipal Railway in meeting peak-period public transit service demands created by office uses in each new development subject to the fee, including the expansion of service capacity through the purchase of rolling stock, the installation of new lines, the addition to existing lines and the long term operation, maintenance, repair and replacement of those expanded facilities.

The rate-making process established by this ordinance is intended to identify and measure the total incremental burdens imposed on the City and County's Municipal Railway by virtue of the demands created by office uses in new development in the Downtown Area. Such burdens are to be allocated equitably among new developments in the Downtown Area subject to the Transit Impact Development Fee. This fee is designed to reflect the benefits conferred on new development because of the added peak-period capacity to carry the passengers generated by office uses in the new developments. Such benefits shall be measured in terms of the costs incurred by the City and County in expanding and operating the additional capacity in the Downtown Area required to meet the estimated long-term peak-period public transit service needs of such office use in new development.

The Transit Impact Development Fee shall be collected as a condition for the issuance of a certificate of final completion and occupancy for new development in the Downtown Area.

This fee will enable the City and County to pay the capital and operating costs of all additional peak-period public transit services in the Downtown Area necessitated by office use in new development. The fee schedule shall be reviewed annually and adjusted over time to insure that it continues to reflect the projected cost of providing the additional public transit service required by new developments.

Notwithstanding the basic purposes of this ordinance, the Transit Impact Development Fee shall not exceed $5 per square foot. *[Added Ord. 224-81; App. 5/5/81]*

Section 2. Section 38.4 of the San Francisco Administrative Code is hereby amended as follows:

SEC. 38.4. IMPOSITION OF TRANSIT IMPACT DEVELOPMENT FEE

A. Each developer of a new development in the Downtown Area shall pay to the City and County of San Francisco upon the issuance of any temporary permit of occupancy and as a condition precedent to issuance of any certificate of final completion and occupancy whichever occurs first, for such new development in the Downtown Area, a Transit Impact Development Fee. That fee shall be calculated on the basis of the number of gross square feet of office use added by the new development, multiplied by the per-square foot rate in effect (a) on the effective date of this ordinance for new developments for which building permits were issued prior to the effective date hereof, and (b) on the date of the filing of the building permit application as to all other new development. The rates shall be established as a current estimate of the total cost incurred by the City and County providing the additional peak-period Municipal Railway transit capacity necessitated by the public transit service needs generated by office uses in the new development over its estimate useful life.

B. The Central Permit Bureau, Bureau of Building Inspection, and No city official or agency including the Bureau of Building Inspection may issue a certificate of final completion and occupancy for any new development in the Downtown Area subject to the fee until it has received evidence of payment of the Transit Impact Development Fee (or of the initial installment if installment payment is permitted pursuant to Section 38.4) as set in accordance with Section 38.8 of this chapter.

C. Except as provided in Section 38.4(D) herein, the fee imposed by this ordinance shall be payable with rspect to (1) all new developments in the Downtown Area for which building permits are issued on or after the effective date of this ordinance, (2) such new developments in the Downtown Area for which building permits were issued prior to the effective date of this ordinance where the developers had, in receiving approval by the City Planning Commission, committed themselves to pay a reasonable fee or participate in an assessment district or other financing mechanism designed to enable the City and County to provide and operate additional peak-period public transit service necessary to accommodate the additional number of peak-period public transit service person-trips generated by office use in the new development, and (3) all other new developments in the Downtown Area for which building permits were issued prior to the effective date of this ordinance but which had not received a certificate of final completion and occupancy prior to the effective date of this ordinance.

D. Provided, however, The fee imposed by this ordinance shall not be payable with respect to new construction or the addition, alteration, conversion, enlargement, extension, or rehabilitation of an existing structure for which a valid building permit was issued prior to the effective date of this ordinance (June 5, 1981), if:

(1) No commitment was made to pay a reasonable fee or participate in an assessment district or other financing mechanism designed to enable the City and County to provide and operate additional peak-period public transit service as specified above, and

(2) One or more of the following occurred prior to June 5,

(a) In the case of new construction or the addition, alteration, conversion, enlargement, extension or rehabilitation of an existing building involving building on vacant land, whether previously occupied or not, the site or portion thereof on which the new building or addition, alteration conversion, enlargement, extension or rehabilitation of an existing building is to be located has been fully prepared and the first structural element has been erected thereon or the foundation has been completed.

(b) In the case of the addition, alteration, conversion, enlargement, extension or rehabilitation of an existing building not otherwise described in paragraph (1) above, any work has been performed to change the configuration of space in the existing structure by the movement of walls or otherwise.

(c) In the case of a conversion space within an existing structure not requiring any physical changes nor a building permit, the space is first occpied for office use.

E. As to those new developments for which building permits are issued on or after the effective date of this ordinance, the Transit Impact Development Fee is ~~to be paid~~ payable on the earliest of the following dates:

(1) the date when 50 percent of the net rentable area of the project has been occupied;

(2) ~~eight months after~~ the date of issuance of the first temporary permit of occupancy with respect to any office use in the new development; ~~and~~

(3) the date of issuance of a final certificate of occupancy.

F. (1) As to those developments subject to the Transit Impact Development Fee for which building permits have been issued prior to the effective date of this ordinance, the Transit Impact Development Fee shall be ~~due~~ payable on the effective date of this ordinance unless on that date none of the following has occurred:

(a) the date when 50 percent of the net rentable area of the project has been occupied;

(b) eight months after the date of issuance of the first temporary permit of occupancy with respect to any office use in the new development;

(c) the date of issuance of a final certificate of occupancy; and

(d) the owner or developer has elected to make installment payments.

(2) If none of the foregoing has occurred on the effective date of this ordinance, the Transit Impact Development Fee shall be due when the earliest of the ~~foregoing occurs, except in the case of installment payments,~~ following occurs:

(a) the date when 50 percent of the net rentable area of the project has been occupied;

(b) the date of issuance of the first temporary permit of occupancy with respect to any office use in the new development;

(c) the date of issuance of a final certificate of occupancy.

(3) By electing to defer payment by delivery to the City and County a written election acknowledging the obligation therefor, the owner of the new development may obligate itself to pay the fee in monthly installments of interest only, at the rate of 1 percent per month, for a period of five years, and thereafter in level monthly payments of principal and interest,

FILE NO.

ORDINANCE NO. 224-84

at the rate of 1 percent per month on the outstanding balance, amortizing over (1) the remaining useful life of the development, or (2) 30 years, whichever is the shorter, such payments to be made on or before the first day of each calendar month during the payment period.

(4) The first monthly installment of the fee (if monthly installments are to be made) shall be due on the first day of the first calendar month following the date the fee would otherwise become due and such first payment shall be prorated according to the number of days by which the due date follows the date the fee would otherwise become due.

4682p

[TIDF]

AMENDING CHAPTER 38 OF THE SAN FRANCISCO ADMINISTRATIVE CODE BY AMENDING SECTIONS 38.1, 38.2, 38.5 AND 38.8 THEREOF AND BY ADDING SECTION 38.8.5 THERETO RELATING TO THE PRINCIPLES TO BE USED IN CALCULATING THE AMOUNT OF THE TRANSIT IMPACT DEVELOPMENT FEE AND PROVIDING FOR ADJUSTMENT TO THE TRANSIT IMPACT DEVELOPMENT FEE IN CASES OF CONVERSION FROM OTHER USES TO OFFICE USE TO INCORPORATE THE TRIP GENERATION RATE OF PRIOR USE SO AS TO ACCURATELY MEASURE THE INCREMENTAL IMPACT OF THE CONVERSION TO OFFICE USE ON THE SAN FRANCISCO MUNICIPAL RAILWAY.

NOTE: Additions or substitutions are underlined; deletions are indicated by ((double parentheses)).

Be it ordained by the people of the City and County of San Francisco:

Section 1. Sections 38.1, 38.2 and 38.5 of Chapter 38, the San Francisco Administrative Code, are hereby amended to read as follows:

Sec. 38.5. Transit Impact Development Fee Schedule.

This Transit Impact Development Fee Schedule is set at an actuarially sound level to insure that the proceeds from the Transit Impact Development Fee from each new development is sufficient, including such earnings as may be derived from

investment of all proceeds and amortization thereof, to pay for all capital and operating costs incurred in providing and operating additional required peak-period public transit service capacity, over the life of such new development; without, however, exceeding five dollars ($5.00) per square foot.

The following principles have been and, in the future, shall be observed in calculating the amount of the Fee:

(a) The times during the day which constitute the peak period shall be determined functionally as that period of time during which a decision to add additional scheduled vehicle runs would require Muni to purchase or lease additional vehicles because the existing available fleet is fully committed in the sense that vehicles are actually in revenue service, being held for deployment later in the peak period, in reserve, or scheduled for repair or preventive maintenance.

(b) State, federal and private operating and capital subsidies for the cost of providing additional peak period service shall be assumed only when and to the extent that receipt of such subsidies is reasonably probable.

(c) The calculation of future costs of providing service for additional passengers during the peak periods should assume no increase in the level of crowding for the system as a whole or material decreases in the frequency of service.

(d) The cost of electricity shall be calculated based on the price which the City could receive for such power were it sold to PG&E assigned customers rather than the cost at which it is furnished to the Municipal Railway by the Hetch Hetchy Water and Power Department.

(e) Costs and revenue attributable to trips taken outside the peak periods by office workers and visitors shall not be

included.

(f) In calculating the revenue from additional peak period trips, a weighted average fare (reflecting the frequency of trips paid for by cash fares as opposed to fast passes) shall be estimated. In making this calculation, the average fare for a fast pass trip shall be determined by dividing the cost of a fast pass by an estimate of the total number of trips per month (whether or not taken in the peak period) which will be taken by a fast pass purchaser. In projecting future revenues, peak period revenue shall be assumed to increase at the same rate as peak period operating costs.

(g) Where feasible, actual information for the fiscal year for which the fee is being calculated should be used. Where estimates must be made, those estimates should be based on such information as the General Manager of the Public Utilities Commission or his delegate considers reasonable for the purpose. Possible changes in the operation or productivity of the Municipal Railway shall be taken into account only if such changes are the announced policy of the Municipal Railway or the Public Utilities Commission and the impact of such change on peak period costs or revenues can be estimated with reasonable certainty.

The Transit Impact Fee Schedule shall be as follows:

FOR EACH GROSS SQUARE FOOT OF OFFICE USE IN NEW DEVELOPMENT IN THE DOWNTOWN AREA. $5.00
*Formula fee rate calculated (at $9.18) to be in excess of $5.00; limited to $5.00.

/ / /

SEC. 38.6. ADJUSTMENTS TO AND REVIEW OF THE TRANSIT IMPACT REVELOPMENT FEE SCHEDULE. The Transit Impact Development Fee Schedule as set forth in Section 38.5 shall be reviewed annually by the Board, or more often as it may deem necessary, to insure that, subject to the limit of $5 per square foot, the fee accurately measures the cost of adding, operating, and maintaining the additional peak-period public transit service required by office uses in new development in the Downtown Area.

In determining the number of peak-period person-trips generated annually by office uses in new developments in the Downtown Area the Board shall obtain a report from the City Planning Commission. Such report shall estimate the number of peak-period person-trips generated annually per gross square foot of office use in new developments.

The Board shall obtain a report from the General Manager of Public Utilities regarding the then-current cost per peak-period Municipal Railway person-trip necessary to provide the expanded public transit services required by new development. The General Manager shall also report the estimated useful life in years of new development, and may recommend different useful-life categories if deemed necessary or desirable to ensure a fair and accurate fee schedule.

The General Manager shall also report the projected annual increases in the cost per peak-period Municipal Railway person-trip necessary to provide the necessary additional transit services during the estimated useful lives of new developments. Finally, the General Manager shall report the estimated annual rate of return on the proceeds of this fee which would be invested prior to their use to provide the necessary additional transit services during the useful lives of new developments.

After receiving these reports and making them available for public distribution, the Board of Supervisors shall conduct a public hearing in which it shall consider these reports, hear testimony from any interested members of the public and receive such other evidence as it may deem necessary. At the conclusion of that hearing the Board shall determine the number of peak-period person-trips of the Municipal Railway generated annually per gross square foot of office use in new develop[illegible]t. The Board shall also determine whether differing categories of useful lives expressed in years should be used to ensure a fair and accurate fee schedule; and, if so, what the different categories should be. The Board shall then determine the current cost per peak-period Municipal Railway person-trip for the additional peak-period service necessary to serve new developments. The Board shall also determine the appropriate annual rate of increase of the cost of providing additional peak-period Municipal Railway person-trips and the appropriate annual rate of return on the invested proceeds of this fee.

The Board shall then establish a Transit Impact Development Fee Schedule expressed in terms of a sum per gross square foot for office use in new developments using the general formula: annual peak-period Municipal Railway person-trips per gross square foot times current cost per additional peak-period Municipal Railway person-trip times the present value factor appropriate to the difference between the annual rate of cost increases; and return on invested funds over the useful lives of new developments, establishing as many separate rates as are deemed appropriate to the determinations of useful life categories.

The rates of the fee schedule shall be set at an actuarially sound level to insure that the proceeds will be sufficient to pay for all capital and operating costs incurred in providing and operating additional required peak-period capacity, including such earnings as may be derived from investment of the proceeds and amortization thereof, over the life of such new developments; provided, however, that said sum may not, for any category of useful life, exceed $5 per square foot.

In the event that the City and County shall impose and collect any additional fees or assessments specifically to recover the costs of transit services, including transit services the cost of which are included in the fee imposed by Section 38.4, the owner of a development for which the Transit Impact Development Fee has been fully paid shall annually receive a credit, up to the total amount of such fees or assessments, of that portion of the prorated annual amount of the Transit Impact Development Fee equal to those costs of transit services included in such fees or assessments which are also included in the Transit Impact Development Fee: The prorated annual amount of the Transit Impact Development Fee is obtained by dividing the total Transit Impact Development Fee already paid by the estimated useful life of the development, in years.

The portion credited against the such fees or assessments shall be determined by comparing those costs included in the Transit Impact Development Fee and those included in such fees or assessments.

In the event that the City and County shall impose and collect any additional fees or assessments specifically to recover the costs of transit services, including transit services the cost of which are included in the fee imposed by Section 38.4, the owner of a development for which the Transit Impact Development Fee is being paid in installments shall annually receive a credit, up to the total amount of such fees or assessments, for that portion of such annual installment, whether interest only or principal and interest, equal to those costs of transit services included in such fees or assessments which are also included in the Transit Impact Development Fee.

In the event the City and County shall impose and collect any additional fees or assessments specifically to recover the costs of transit services, including transit services the cost of which are included in the fee imposed by Section 38.4, the owner of a development for which the Transit Impact Development Fee will be due but has not been paid shall receive a credit against the development fee otherwise due in an amount equal to that portion of the Transit Impact Development Fee equal to the value of those costs of transit services included in such fees or assessments which are also included in the Transit Impact Development Fee. *[Added Ord. 224-81; App. 5/5/81]*

SEC. 38.7. USE[illegible]ROCEEDS FROM TRANSIT IMPACT DEVELOPM[illegible]NT FEE. The sums derived from the c[illegible]ction of the Transit Impact Development Fee shall be held in trust by the Treasurer of the City and County and shall be distributed according to the fiscal and budgetary provisions of the San Francisco Charter subject only to the following conditions and limitations. The proceeds from the Transit Impact Development Fee, including earnings from investments thereof, may be used only for the provisions of peak-period public transit service over and above public transit service being provided on March 1, 1980, to and from and within the Downtown Area, to compensate for and to defray the capital and operating costs incurred by the City and County in providing the benefit of public transit service in the Downtown Area in order to meet the special peak-period burden placed on the City and County by the addition of new office use in new developments in the Downtown Area of the City and County.

In the event a structure for which this Transit Impact Development Fee has been fully paid is demolished or converted to non-office use prior to the expiration of its estimated useful life, the City and County shall refund to the owner a portion of the amount of the fee determined by deducting an amount reflecting the duration of the office use in relation to the useful life estimate used in determining the Transit Impact Development Fee for that structure. In the event a structure for which the Transit Impact Development Fee is being paid in installments is demolished or converted to non-office use prior to the final payment, installments shall continue only until the principal obligation is reduced to the amount which would have been refunded if the Transit Impact Development Fee had been fully paid. In the event a building permit expires prior to completion of the work and commencement of occupancy, so that it will be necessary to obtain a new permit to carry out new development, the obligation to pay the fee shall be cancelled, and any amount previously paid shall be refunded. *[Added Ord. 224-81; App. 5/5/81]*

AMENDMENT OF THE WHOLE
AS AMENDED IN B[illegible] 7/7/84

FILE NO.

ORDINANCE NO. 224-84
5-5-84

1 [TIDF]
2 AMENDING CHAPTER 38 OF THE SAN FRANCISCO ADMINISTRATIVE CODE BY
3 AMENDING SECTIONS ~~38.1~~, 38.2, 38.5 AND 38.8 THEREOF AND BY ADDING
4 SECTION 38.8.5 THERETO RELATING TO THE PRINCIPLES TO BE USED IN
5 CALCULATING THE AMOUNT OF THE TRANSIT IMPACT DEVELOPMENT FEE AND
6 PROVIDING FOR ADJUSTMENT TO THE TRANSIT IMPACT DE ELOPMENT FEE IN
7 CASES OF CONVERSION FROM OTHER USES TO OFFICE USE TO INCORPORATE
8 THE TRIP GENERATION RATE OF PRIOR USE SO AS TO ACCURATELY MEASURE
9 THE INCREMENTAL IMPACT OF THE CONVERSION TO OFFICE USE ON THE SAN
10 FRANCISCO MUNICIPAL RAILWAY.
11 NOTE: Additions or substitutions are underlined;
deletions are indicated by ((double parentheses)).
12
13 Be it ordained by the people of the City and County of San
14 Francisco:
15 Section 1. Sections 38.1, 38.2 and 38.5 of Chapter 38, the
16 San Francisco Administrative Code, are hereby amended to read as
17 follows:

Section 2. Section 38.0 of Chapter 38 of the San Francisco Administrative Code is hereby amended to read as follows:

Section 38.5. Setting of Fee.

Each developer, prior to obtaining a building permit for any new development in the downtown area after the effective date of this ordinance, shall file with the General Manager of the Public Utilities Commission, on such form as he may develop, a report indicating the number of gross square feet of the new development intended for office use. Each developer of a new development for which a building permit was issued prior to the effective date of this ordinance and for which a final certificate of occupancy had not been issued prior to the effective date of this ordinance shall file the same report prior to obtaining a final certificate of occupancy. The General Manager shall determine the number of gross square feet of office use to which the Transit Impact Development Fee Schedule applies, [(crediting the number of gross square feet of office use being eliminated as part of the project and)] disregarding the number of gross square feet of office use being retained, determine the useful life category if the Fee Schedule includes useful life categories, apply the fee schedule, and determine the fee which reflects the additional cost of peak-period public transit service generated by the office use in the new development. The applicant shall be notified of the General Manager's determination in writing. The General Manager shall mail a copy of his determination to the applicant. The applicant may appeal the determination of the number of gross square feet of office use subject to the fee, the adjustment factor described in Section 38.0.5(b), or the useful-life category if the fee schedule includes useful life categories, to the Public Utilities Commission in order to reduce the amount of the fee obligation. If the applicant notifies the General Manager of his acceptance of the determination, or does not appeal to the Public Utilities Commission within 15 days of the date of personal service or mailing of notice of the General Manager's determination, the General Manager's determination shall be final, and a notice of such determination shall be provided the Central Permit Bureau. The Central Permit Bureau may not issue a building permit for a new development in the downtown area until it has received notice from the General Manager of the Public Utilities Commission or the Public Utilities Commission of the final determination of the amount of the Transit Impact Development Fee to be paid.

FILE NO. ORDINANCE NO. 224-84

(TIDF)

AMENDING CHAPTER 38 OF THE SAN FRANCISCO ADMINISTRATIVE CODE BY AMENDING SECTIONS 38.1, 38.2, 38.5 AND 38.8 THEREOF AND BY ADDING SECTION 38.8.5 THERETO RELATING TO THE PRINCIPLES TO BE USED IN CALCULATING THE AMOUNT OF THE TRANSIT IMPACT DEVELOPMENT FEE AND PROVIDING FOR ADJUSTMENT TO THE TRANSIT IMPACT DEVELOPMENT FEE IN CASES OF CONVERSION FROM OTHER USES TO OFFICE USE TO INCORPORATE THE TRIP GENERATION RATE OF PRIOR USE SO AS TO ACCURATELY MEASURE THE INCREMENTAL IMPACT OF THE CONVERSION TO OFFICE USE ON THE SAN FRANCISCO MUNICIPAL RAILWAY.

NOTE: Additions or substitutions are underlined; deletions are indicated by ((double parentheses)).

Be it ordained by the people of the City and County of San Francisco:

Section 3. Chapter 38 of the San Francisco Administrative Code is hereby amended by adding Section 38.8.5 thereto, reading as follows:

Section 38.8.5. Credits for Prior Use.

In determining the number of gross square feet of office use to which the Transit Impact Development Fee Schedule applies, the General Manager shall provide for the following credits:

a. For prior office uses, there shall be a credit for the number of gross square feet of office use being eliminated as part of the project.

b. For prior uses other than office use, there shall be a credit for the number of gross square feet of non-office use being eliminated multiplied by an adjustment factor to reflect the difference between office building peak period municipal railway trip generation rates and peak period municipal railway trip generation rates for other uses. The adjustment factor shall be determined by the General Manager as follows:

(1) The adjustment factor shall be a fraction, the numerator of which shall be the peak period municipal railway trip generation rate which the General Manager shall determine, in consultation with the Department of City Planning applies to the class of prior use being eliminated by the project.

(2) The denominator of the fraction shall be the peak period municipal railway trip generation rate for office us used in the most recent calculation of the Transit Impact Development Fee Schedule approved by the Board of Supervisors.

(3) Notwithstanding the foregoing, the adjustment factor shall not exceed 1.

Section 4. The Board finds and declares that the principles to be employed in calculating the amount of the fee set forth in Section 1 above are wholly consistent with the Board's intention in enacting the Transit Impact Development Fe Ordinance, with the cost analysis presented to the Board by Br Bernhard at the time the ordinance was enacted (which, after correction of certain errors, estimated the loss per square fo to be $6.57, which estimate the Board accepts as reasonable), with the Transit Impact Development Fee Cost Studies for fisca years 1980-81 and 1981-82 approved by the Board by Resolution 080-83, and with the revised Transit Impact Development Fee Co Study prepared by Touche Ross & Co. dated February 22, 1984 making certain revisions to the estimation of the FY 1980-81 present value of the loss which would be incurred in providin additional peak-period transit service (resulting in a net reduction of said loss from $0.60 to $0.36 per square foot). Board hereby approves the assumptions, methodology and conclusions stated in said revised Transit Impact Development Cost Study. The Board accordingly finds that as of the date Ordinance was enacted, and at all times thereafter, the net

present value of the loss which would be incurred in providing additional peak period transit service was in excess of $5.00 per square foot.

Section 5. The Board of Supervisors intends that the portion of the amendment to Chapter 38 adding Section 38.0.5 be given full retroactive effect so that the credits allowed by Section 38.0.5 shall be afforded to all developers who have paid the fee or will hereafter be required to do so.

Section 6. The amendments to Chapter 38 set forth in Sections 2 and 3 of this ordinance shall not be effective unless and until, prior to June 25, 1984, the City Attorney has advised the Clerk of the Board that either (1) the Superior Court for the County of San Francisco has entered an order approving a partial settlement of Russ Building Partnership, et al. v. City and County of San Francisco, No. 780-795, providing that no claims for costs, attorney's fees or expenses may be sought by the class action plaintiff therein on account of the adoption of Section 2 and 3 of this ordinance; or, alternatively, (2) that the Superior Court has determined that no such court order approving such partial settlement is required by law.

APPROVED AS TO FORM:

Deputy City Attorney

0125D

Passed for Second Reading
Board of Supervisors, San Francisco

MAY 7 1984

Ayes: Supervisors Britt, Hongisto, Kennedy, Kopp, Maher, Molinari, Renne, Silver, Ward.

Noes: Supervisors HELDER

Absent: Supervisors WALKER

Clerk

197841
File No.

5/15/84
Approved

Read Second Time and Finally Passed
Board of Supervisors, San Francisco

MAY 14 1984

Ayes: Supervisors Britt, Hongisto, Kopp, Molinari, Ward.

Noes: Supervisors HELDER

Absent: Supervisors HELDER WALKER WARD

I hereby certify that the foregoing ordinance was finally passed by the Board of Supervisors of the City and County of San Francisco.

Mayor

SEC. 38.9. RULES AND REGULATIONS. The Public Utilities Commission is empowered to adopt such rules, regulations, and administrative procedures as it deems necessary to implement this chapter, including the determination, collection, refund, and utilization of the proceeds, of the Transit Impact Development Fee. *[Added Ord. 224-81; App. 5/5/81]*

Section 3: Section 38.10 of the San Francisco Administrative Code is hereby amended as follows:

Sec. 38.10. NON-PAYMENT, ADDITIONAL REQUEST; NOTICE OF ASSESSMENT OF INTEREST AND LIEN PROCEEDINGS.

A. Where the transit impact development fee, not payable in installments pursuant to Section 38.4 hereof is not paid within 30 days of request for payment and where the transit impact development fee is payable in installments pursuant to Section 38.4 of this ordinance and the installment is not paid within thirty days of the date fixed for payment, the general manager or his designee shall mail an additional request for payment and notice to the owner stating the following:

(1) if the amount due is not paid within thirty days of the date of mailing the additional request and notice, interest at the legal rate shall be assessed upon the fee or installment due.

(2) With respect to both non-installment and installment fees, if the account is not current within 60 days of the date of mailing the additional request and notice, the general manager shall institute proceedings to record a special assessment lien for the entire balance and any accrued interest against the property upon which the fee is owed.

B. Thirty days after mailing the additional request for payment the general manager may assess interest as specified in paragraph 38.10(A)(1) above. Sixty days after mailing the additional request for payment and notice the general manager may institute lien proceedings as specified in paragraph 38.10A.(2) above.

4685p

FILE NO. 118-84-4 ORDINANCE NO. 491-85

Section 4. Section 38.11 of the San Francisco Administrative Code is hereby amended as follows:

Sec. 38.11. LIEN PROCEEDINGS; NOTICE. If payment of the fee not payable in installments is not received within 30 days following mailing of the additional request and notice or if with respect to installment payments the account is not brought current within 60 days of the mailing of the additional request and notice, the General Manager of the Public Utilities Commission shall initiate proceedings, by reporting the delinquency to the Board, to make the entire unpaid balance of the Transit Impact Development Fee, including interest on the unpaid fee or installments a special assessment lien against the property served. Such charges against delinquent accounts shall be reported to the Board at least once each year. Said report for each such delinquent account shall contain the owner's name, the amount due, including ~~penalty~~ interest, amount of the unpaid balance, including ~~penalty~~ interest on any delinquent installment, and the description of the parcel served. The General Manager of the Public Utilities Commission shall also ~~indicate~~ recommend which of such delinquent accounts should be exempted from the lien procedure or other sanctions because of the small amounts involved, or because another debt collection procedure is more appropriate or for other appropriate reasons. The descriptions of the parcels shall be those used for the same parcels on the Assessor's map books for the current year. Upon receipt of such report the Board shall fix a time, date and place for hearing the report and any protest or objections thereto, and shall cause notice of the hearing to be mailed to each owner of the parcels of real property described in the report not less than 10 days prior to the date of hearing.

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APPROVED AS TO FORM:

GEORGE AGNOST
City Attorney

By _____
PHYLLIS WALKER
Deputy City Attorney

4685p

SEC. 38.12. HEARING. At the time fixed for consideration of the report the Boa shall hear it with any objections of the owners of the parcels liable to be assessed f delinquent accounts. The Board may make such revisions, corrections or modificatio of the report as it may deem just; and in the event that the Board is satisfied with t correctness of the report (as submitted or as revised, corrected or modified), it shall confirmed. The decision of the Board on the report and on all protests or objectic thereto shall be final and conclusive; provided, however, any delinquent account may be removed from the report by payment in full at any time prior to confirmation of the report. The Clerk of the Board shall cause the confirmed report to be verified in form sufficient to meet recording requirements. *[Added Ord. 224-81; App. 5/5/81]*

SEC. 38.13. COLLECTION OF ASSESSMENT. Upon confirmation of the report by the Board, the delinquent charges contained therein shall constitute a special assessment against the parcels to which the services were rendered.

Each such assessment shall be subordinate to all existing special assessment liens previously imposed upon such parcels and paramount to all other liens except those for state, county and municipal taxes with which it shall be upon parity. The lien shall continue until the assessment and all interest and penalties due and payable thereon are paid. All laws applicable to the levy, collection and enforcement of municipal taxes shall be applicable to said special assessment. *[Added Ord. 224-81; App. 5/5/81]*

SEC. 38.14. RECORDATION; CHARGES. The Clerk of the Board shall cause the confirmed and verified report to be recorded in the County Recorder's office and the special assessment lien on each parcel of property described in said report shall carry additional charges for administrative expenses of $50 or 10 percent of the amount of the unpaid balance, including penalty, whichever is higher; and a rate of one and one-half percent per full month compounded monthly from the date of the recordation of the lien on all charges due. *[Added Ord. 224-81; App. 5/5/81]*

SEC. 38.15. FILING WITH CONTROLLER AND TAX COLLECTOR; DISTRIBUTION OF PROCEEDS. The Clerk of the Board shall file a certified copy of each confirmed report with the Controller and Tax Collector within 10 days after confirmation of the report, whereupon it shall be the duty of said officers to add the amount of said assessment to the next regular bill for taxes levied against said parcel or parcels of land for municipal purposes, and thereafter said amount shall be collected at the same time and in the same manner as City and County taxes are collected, and shall be subject to the same procedure under foreclosure and sale in case of delinquency as provided for property taxes of the City and County of San Francisco.

Except for the release of lien recording fee authorized in Section 38.16, all sums collected by the Tax Collector pursuant to this ordinance shall be held in trust by the Treasurer and distributed as provided in Section 38.6 of this chapter. *[Added Ord. 224-81; App. 5/5/81]*

SEC. 38.16. RELEASE OF LIEN, RECORDING FEE. On payment to the Tax Collector of the special assessment, the Tax Collector shall cause to be recorded a release of lien with the County Recorder, and from the sum collected pursuant to Section 38.15, shall pay to the County Recorder a recording fee of $6. *[Added Ord. 224-81; App. 5/5/81]*

SEC. 38.17. MANNER OF GIVING NOTICES. Any notice required to be given hereunder by the Board of the Public Utilities Commission to an owner shall be sufficiently given or served upon the owner for all purposes hereunder if personally served upon the owner or if deposited, postage prepaid, in a post office letter box addressed in the name of the owner at the official address of the owner maintained by the Tax Collector of the City and County for the mailing of tax bills; or, if no such address is available, to the owner at the address of the real property to which the public transit service was provided. *[Added Ord. 224-81; App. 5/5/81]*

SEC. 38.18. SEVERABILITY. The provisions of this ordinance shall not apply to any person, association, corporation or to any property as to whom or which it is beyond the power of the City and County of San Francisco to impose the fee herein provided. If any sentence, clause, section or part of this ordinance, or any fee imposed upon any person or entity is found to be unconstitutional, illegal or invalid, such unconstitutionality, illegality, or invalidity shall affect only such clause, sentence, section or part of this ordinance, or person or entity; and shall not affect or impair any of the remaining provisions, sentences, clauses, sections or other parts of this ordinance, or its effect on other persons or entities. It is hereby declared to be the intention of the Board of Supervisors of the City and County that this ordinance would have been adopted had such unconstitutional, illegal or invalid sentence, clause, section or part of this ordinance not been included herein; or had such person or entity been expressly exempted from the application of this ordinance. To this end the provisions of this ordinance are severable. *[Added Ord. 224-81; App. 5/5/81]*

FILE NO 199-84 ORDINANCE NO. 223-84

(Transit Impact Development Fee)

AMENDING THE SAN FRANCISCO ADMINISTRATIVE CODE, CHAPTER 38 THEREOF, BY ADDING SECTION 38.45 THERETO EXEMPTING PROPERTIES OWNED BY CHARITABLE ORGANIZATIONS AND USED BY THEM FOR CHARITABLE ACTIVITIES FROM THE TRANSIT IMPACT DEVELOPMENT FEE

Note: Additions are not underlined;
All sections are entirely additional.

Be it ordained by the people of the City and County of San Francisco:

Section 1. Chapter 38 of the San Francisco Administrative Code is hereby amended by adding Section 38.45 thereto, reading as follows:

Section 38.45 Charitable Exemptions.

(a) When the property or a portion thereof will be exempt from real property taxation pursuant to California Constitution, Article XIII, Section 4, as implemented by California Revenue and Taxation Code, Section 214, then the developer shall not be required to pay the Transit Impact Development Fee attributed to the net new office space in the exempt property or portion thereof, so long as the property or portion thereof continues to enjoy the aforementioned exemption from real property taxation.

(b) The Transit Impact Development Fee shall be calculated for exempt structures in the same manner and at the same time as for all other structures. The developer may apply to the Public Utilities Commission for an exemption pursuant to the standards set forth herein. In the event the Commission determines that the developer is entitled to an exemption under this section, shall cause to be recorded a notice advising that the Transit Impact Development Fee has been calculated and imposed upon the structure and that the structure or a portion thereof has been exempted from payment of the fee but that if the property or portion thereof loses its exempt status during the ten-year period commencing with the date of the imposition of the Transit Impact Development Fee, then the building owner shall be subject to the requirement to pay the fee.

(c) If within ten (10) years from the date of the issuance of the Certificate of Final Completion and Occupancy, the exempt property or portion thereof loses its exempt status, then the property owner shall, within ninety (90) days thereafter, be obligated to pay the Transit Impact Development Fee, reduced by an amount reflecting the duration of the charitable exempt statu in relation to the useful life estimate used in determining the Transit Impact Development Fee for that structure. The amount remaining to be paid shall be determined by recalculating the fe using a useful life equal to the useful life used in the initial calculation minus the number of years during which the exempt status has been in effect.

(d) In the event a property owner fails to pay a fee within th ninety (90) day period, a notice for request of payment shall be served by the Public Utilities Commission pursuant to Section 38.10 of this Chapter. Thereafter, upon non-payment, a lien proceeding shall be instituted pursuant to Sections 38.11 to 38.17, inclusive, of this Chapter.

APPROVED AS TO FORM:

Deputy City Attorney

DJ67D

Attachment 5

Special Greenwich Street Development District

New York City Ordinance

Chapter 6 Special Greenwich Street Development District

86-00 GENERAL PURPOSES

The *Special Greenwich Street Development District* (hereinafter also referred to as the "District") established in this resolution is designed to promote and protect public health, safety, general welfare and amenity. These general goals include, among others, the following purposes:

(a) To foster and promote the orderly expansion of commercial office development so that the City of New York will enhance its position as a national center for economic and commercial affairs, provide an expanding source of employment opportunities for its inhabitants and encourage the development of a desirable working environment;

(b) To develop and implement a plan for improved pedestrian and vehicular circulation, including the grade separation of pedestrian and vehicular circulation systems, in order to avoid congestion arising from the movements of large numbers of people;

(c) To improve the rapid transit facilities in the area and pedestrian access thereto, including the provision of subsurface pedestrian connections from centers of major commercial development to the transit facilities;

(d) To retain and promote the establishment of a variety of retail consumer and service businesses so that the needs and requirements of the area's working population will be satisfied;

(e) To provide an incentive for development in a manner consistent with the foregoing objectives which are integral elements of the Comprehensive Plan of the City of New York;

(f) To encourage a desirable urban design relationship between each building in the District, between the buildings and the District's circulation systems and between the development in the District and in the adjacent areas of Battery Park City and the World Trade Center;

(g) To encourage development in accordance with a District Plan, including the provision of mandated improvements, by the coordinated relaxation of tower coverage and other height and setback regulations; and

(h) To promote the most desirable use of land in accordance with a development and thus to conserve and enhance the value of land and buildings, and thereby protect the City's tax revenues.

86-01

Definitions

For purposes of this Chapter, matter in italics is defined in Section 12-10 (Definitions) and Sections 86-00 (General Purposes), 86-01 (Definitions), 86-04 (Pedestrian Circulation Improvements) and 86-05 (Lot Improvements).

Development, to develop or developer

For purposes of this Chapter, a "development" includes the construction of a new *building or other structure* on a *zoning lot* or *lots*, the relocation of an existing *building* on another *zoning lot* or *lots*, the *use* of a tract of land for a new *use*, or an *enlargement*.

To "develop" is to create a *development*.

Special Greenwich Street Development District (repeated from Section 12-10)

The "Special Greenwich Street Development District" is a Special Purpose District designated by the letter "G", in which special regulations set forth in Article VIII, Chapter 6 apply to all *developments* (as defined in Section 86-01).

The *Special Greenwich Street Development District* appears on the *zoning maps* superimposed on other districts, and its regulations supplement and modify those of the districts on which it is superimposed.

86-02

General Provisions

The *Special Greenwich Street Development District* includes portions of two underlying zoning districts: a C6-4 and a C5-5 District. In harmony with the general purpose and intent of this resolution and the general purposes of the *Special Greenwich Street Development District* and in accordance with the provisions of this chapter, certain specified regulations of the districts on which the *Special Greenwich Street Development District* is superimposed are made inapplicable. Except as modified by the express provisions of this District, the regulations of the underlying zoning districts remain in effect.

In addition to meeting the requirements, conditions and safeguards as set forth in this Chapter, each *development* shall conform to and comply with all of the applicable district regulations on *use*, *bulk*, supplementary *use* regulations, regulations applying along district boundaries, *accessory signs*, *accessory* off-street parking and off-street loading, and all other applicable provisions of this resolution, except as otherwise specifically provided in this Chapter.

86-03

District Plan

The District Plan for the Special Greenwich Street Development District identifies the physical improvements which a developer or the City or its designee may provide in the District in exchange for bonuses allowed under provisions of this chapter. In the event that such physical improvements described by the District Plan have already been provided by the City or its designee pursuant to Section 86-0410 of this chapter, the developer may elect, with the approval of the commission, to make a fund contribution for these specified improvements at the monetary rate established in Section 86-0411.

The physical improvements are of four general types *mandatory pedestrian circulation improvements*, *elective pedestrian circulation improvements*, *mandatory lot improvements* and *preferred lot improvements*, each of such improvements being described and its bonus set forth in the provisions of and appendices to this Chapter. The District Plan and elements thereof are set forth in the following appendices attached hereto and made an integral part hereof:

(a) District Plan (Appendix A).

(b) Description of Improvements by Block (Appendix B).

(c) Elective Pedestrian Circulation Improvements (Appendix C).

86-04

Pedestrian Circulation Improvements

86-041

General

Pedestrian circulation improvements are those elements of the District Plan which are identified in Appendices B and C. Such improvements are of two types — mandatory and elective. *Mandatory pedestrian circulation improvements* are those elements which shall be built by the *developer* of a *zoning lot* in the *block* or *blocks* identified in Appendix B and for which the *developer* is allowed the additional *floor area* specified in Section 86-046 (Floor area allowance). *Elective pedestrian circulation improvements* are those elements identified in Appendix C which a *developer* may elect to build, and for which the *developer* is allowed the additional *floor area* specified therein. Any *development* within the District shall be eligible for the additional *floor area* authorized by Section 86-047 (Additional floor area for pedestrian circulation improvements) subject, however, to the limitations imposed by Sections 86-048 (Basic maximum floor area ratio) and 86-06 (Floor Area Limitations).

86-042

Elevated shopping bridge

An *elevated shopping bridge* is a continuous enclosed space which spans a *street* between two *zoning lots* and connects to *elevated shopping ways* in one or both of such *zoning lots*. The *elevated shopping bridge* (a) has its floor located at the same level as the floors of the *elevated shopping ways* to which it connects and (b) has a minimum width of 10 feet and a maximum width of 50 feet within which a minimum width of 15 feet is devoted to pedestrian space and a minimum width of 25 feet is devoted to retail space. Such pedestrian space has a minimum height between floor and ceiling of 30 feet and is heated and air conditioned. Such retail space may be occupied only by uses listed in Use Group G.

86-043

Enclosed pedestrian bridge

An *enclosed pedestrian bridge* is a continuous enclosed space which spans a *street* between two *zoning lots* and connects to *elevated shopping ways* or *pedestrian connections* in both *zoning lots*. The *enclosed pedestrian bridge* (a) has its floor located at the same level as the floors of the *elevated shopping ways* or *pedestrian connections* to which it connects, (b) has a minimum width of 15 feet, (c) has a minimum height between floor and ceiling of 30 feet and (d) is heated and air conditioned.

86-044

Open pedestrian bridge

An *open pedestrian bridge* is a continuous open bridge which spans a *street* between two *zoning lots* and connects with *elevated shopping ways or pedestrian connections* in each of such *zoning lots*. The *open pedestrian bridge* (a) is located at the same level as the floors of the *elevated shopping ways* or *pedestrian connections* to which it connects and (b) has a minimum width of 15 feet.

86-045

Pedestrian deck

A *pedestrian deck* is a continuous open platform which extends above a *street* from a *zoning lot* and connects to adjacent elevated pedestrian circulation systems. The *pedestrian deck* (a) is located at the same level as the elevated pedestrian circulation systems to which it connects, (b) provides for pedestrian facilities including, but not limited to, benches, outdoor cafe, and kiosks for *uses* from Use Group G, (c) has not less than one tree per 1300 square feet of *pedestrian deck*, each tree being of a minimum caliper of 4 inches and being watered by an automatic watering system, the measurement of caliper and the specifications for planting being in accordance with the standards and specifications of the American Society of Nurserymen and (d) may have amenities such as fountains and sculptures.

Where trees are planted pursuant to this Section prior to April 1, 1978, such planting may be undertaken in accordance with the tree caliper requirements existing prior to the effective date of this amendment.

86-046

Floor area allowance

For each *mandatory pedestrian circulation improvement* provided, the *development* shall be eligible for a *floor* area allowance at the rate set forth in the following table.

Floor Area Allowance for Mandatory Pedestrian Circulation Improvements	Sq. Ft. Per Linear Foot
a) for an *elevated shopping bridge*	700
b) for an *enclosed pedestrian bridge*	270
c) for an *open pedestrian bridge*	
(1) single span	90
(2) multiple span	100
(3) with stair or ramp	120
d) for a *pedestrian deck*	10
e) for each tree provided on a *pedestrian deck*	300 sq. ft. per tree

86-047

Additional floor area for pedestrian circulation improvements

A *developer*, in the case of *mandatory pedestrian circulation improvements*, shall, and in the case of *elective pedestrian circulation improvements* may, elect to increase its basic maximum *floor area ratio* set forth in Section 33-12 (Maximum Floor Area Ratio) in accordance with the provisions of Section 88-048 (Basic maximum floor area ratio) provided the *developer* constructs, or has a private party or a public agency construct on its behalf, *pedestrian circulation improvements* as provided in Section 86-04.

86-048

Basic maximum floor area ratio

(a) For any *development* in that portion of the District superimposed upon a C6-1 District the basic maximum *floor area ratio* set forth in Section 33-12 (Maximum Floor Area Ratio) may be raised from 10.0 to not more than 15.0 by means of additional *floor area* allowances for provision of *pedestrian circulation improvements* or for money contributions in lieu thereof as set forth in Section 86-049 (Selection of pedestrian circulation improvements). A basic maximum *floor area ratio* increased in this manner is hereinafter referred to as the "adjusted basic maximum *floor area ratio*."

If a *development's* adjusted basic maximum *floor area ratio* is 15.0, the bonus rates established in the regulations of the C5-5 District shall apply to any *plaza*, *plaza*-connected open area, *arcade*, *covered pedestrian space*, *through*

block arcade, or elevated *plaza* provided by such *development*. When additional *floor area* attributable to the provision of *pedestrian circulation improvements* would result in a *floor area ratio* in excess of 15, the excess *floor area* shall be credited as bonus *floor area* subject to the provisions of Section 86-06 (Floor Area Limitations).

(b) For any *development* in that portion of the District superimposed upon a C5-5 District the basic maximum *floor area ratio* set forth in Section 22-13 (Maximum Floor Area Ratio) shall remain at 15. Any such *development* may provide *elective pedestrian circulation improvements* and receive the additional *floor area* attributable thereto, provided that such *development*

(i) provides those *mandatory pedestrian circulation improvements* and *mandatory lot improvements*, if any, designated by the District Plan to be constructed on the *zoning lot* and

(ii) complies with the provisions of Section 86-06 (Floor Area Limitations). Any additional *floor area* attributable to the provision of *pedestrian circulation improvements* shall be credited as bonus *floor area*.

86-049

Selection of pedestrian circulation improvements

Pedestrian circulation improvements to be provided by a *developer* shall be selected in the following manner:

(1) First, those *mandatory pedestrian circulation improvements* which the *developer* is required to construct in connection with the *development* of its *zoning lot*, such *improvements* being listed by *block* number in the Description of Improvements by *block*. (Appendix B);

(2) Second, those *elective pedestrian circulation improvements* which remain unconstructed, selected in the order in which they are ranked on the list of Elective Pedestrian Circulation Improvements (Appendix C) and whose aggregate additional *floor area* when added to that attributable for the provision of *mandatory pedestrian circulation improvements*, if any, entitles the *developer* to the total additional *floor area* desired. *Elective pedestrian circulation improvements* 10, 11, 12 and 13 in Appendix C have a special ranking priority ahead of the numerical order set forth in Appendix C and equal to each other.

(3) Third, if no unconstructed *elective pedestrian circulation improvement* or *improvements* enables a *developer* to obtain the total additional *floor area* desired, the *developer* shall select the highest ranked unconstructed improvement and, if necessary, such other improvement or improvements listed in Appendix C, so that the aggregate additional *floor area* attributable to all *pedestrian circulation improvements* provided either

(a) exceeds the additional *floor area* desired, the excess being credited as bonus *floor area*, or

(b) is less, by the smallest amount, than the additional *floor area* desired (the difference between such aggregate additional *floor area* and the additional *floor area* desired being credited as additional *floor area* in exchange for a contribution (the "Fund Contribution") to the Greenwich Street Development District Fund to be established and administered in accordance with Section 86-0410 (Greenwich Street Development District Fund). The Fund Contribution shall be at the monetary rate specified in Section 86-0411 (Fund Contribution), be in the form of cash and be tendered to such Fund prior to the granting by the Department of Buildings of a building permit for the *development*.

86-0410

Greenwich Street Development District Fund

The City Planning Commission shall establish a Greenwich Street Development Fund as a trust and agency account with the Office of the Comptroller. Such Fund shall accept Fund Contributions which shall be applied by the City Planning Commission (or its designated agent), toward the following:

(1) Improvements to public transit facilities within the district in accordance with recommendations prepared by the New York City Transit Authority and approved by the City Planning Commission. Such recommended improvements, the design and construction of which may be financed from the fund, may include, but need not be limited to,

(a) lighting,

(b) the painting or resurfacing of walls, floors and ceilings,

(c) modernization of turnstiles, mechanical exits and change booths,

(d) graphic design and replacement of signs, and

(e) other design improvements which shall add to the amenities of the subway stations within the District. The improvements shall be located within the following stations:

Lex. IRT Fulton Street Station

Lex. IRT Wall Street Station

Lex. IRT Bowling Green Station

Bwy. BMT Cortlandt Street Station

Bwy. BMT Rector Street Station

Bwy. BMT Whitehall Street Station

7th Avenue IRT Rector Street Station

(2) Design, and/or construction, and/or maintenance and/or operation of

(i) pedestrian circulation improvements identified in the District plan,

(ii) vertical circulation connections between streets and elements of the elevated public circulation system pursuant to the District Plan, and

(iii) improvements in streets or street-related public spaces intended primarily for pedestrian circulation in cases where such improvements (x) are associated with pedestrian circulation improvements identified in the District Plan or (y) are associated with pedestrian underpasses and circulation improvements related to one or more of the subway stations listed above in subsection (1)(e) of this section. Such work shall be performed either by the Port Authority of New York and New Jersey, pursuant to agreement entered into by the Mayor or his designee, or otherwise pursuant to the provisions of the City Charter governing contracts.

86-0411
Fund Contribution

The Fund contribution, if tendered prior to July 1, 1971, shall be at the rate of $8.41 per square foot of additional *floor area* credited pursuant to Section 86-049 (Selection of pedestrian circulation improvements). On July 1, 1971, and on each subsequent July 1, the City Planning Commission shall publish the monetary rate at which additional *floor area* shall be so credited for the forthcoming year. Such rate shall be calculated by multiplying the monetary rate for the previous year ending on June 30 by a fraction, the numerator of which shall be the *land assessed value* (as defined below) for the fiscal year beginning such July 1 and the denominator of which shall be the *land assessed value* for the fiscal year having just ended. As used herein, the term "*land assessed value*" shall mean the sum of the "values of real estate unimproved" (as such term is calculated and published by the Tax Commission of the City of New York) of those *zoning lots* upon which are constructed the thirty most recently completed, i.e., having received a permanent certificate of occupancy) privately-owned office buildings having at least 100,000 square feet of *floor area* and located south of Chambers Street in the Borough of Manhattan, to be selected each year on May 1. The list of such *zoning lots* (and the *buildings* thereon) shall be filed with the Chairman of the City Planning Commission.

86-05
Lot Improvements

86-051
General

Mandatory lot improvements are those elements of the District Plan identified in Appendix B which shall be built by the *developer* of the *zoning lot* on which they are mapped, and for which the *developer* is allowed the *floor area* bonus specified in Sections 86-058 (Floor area bonus) and 86-059 (Floor area bonus for certain lot improvements). *Preferred lot improvements* are those elements of the District Plan identified in Appendix B which may be built without a Special Permit from the City Planning Commission as set forth in Section 86-08, by the *developer* of the *zoning lot* on which they are mapped, and for which the *developer* is allowed the *floor area* bonus specified in Sections 86-058 (Floor area bonus) and 86-059 (Floor area bonus for certain lot improvements).

86-052
Shopping arcade

A *shopping arcade* is a continuous covered space which extends along the *front lot line* of a *zoning lot* for the entire distance shown on the District Plan and described in Appendix B and which

(a) has a minimum continuous width, unobstructed except for building columns, measured from and perpendicular to the *lot line*, of 15 feet

(b) has a minimum continuous height of 15 feet,

(c) is open to the *street* and has its floor at the same level and continuous with with the sidewalk,

(d) is open to the public at all hours and

(e) has fronting *uses* as described in Section 86-057 (Frontage allocated for Use Group G).

86-053
Elevated shopping way

An *elevated shopping way* is a continuous enclosed space which extends along the *front lot line* of a *zoning lot* for the entire distance shown on the District Plan and described in Appendix B and which

(a) has its floor located 22 feet above *curb level*,

(b) has a minimum continuous width, unobstructed except for building columns, of 15 feet,

(c) has a minimum continuous height of 30 feet,

(d) has fronting *uses* as described in Section 86-057, (Frontage allocated for Use Group G),

(e) is open to the public from 7:00 a.m. to 7:00 p.m. on weekdays,

(f) is heated and air conditioned,

(g) is designed so as to allow connection to all contiguous systems shown on the District Plan and

(h) is, in a given block, connected at each intersecting *street* with the sidewalk either by escalators required in Section 86-054 (Shopping way) or by stairs not less than 8 feet in width to be provided by the *developer* and located within the boundaries of the *zoning lot* abutting such intersecting street.

86-054
Shopping way

A *shopping way* consists of two major elements—a *shopping arcade* and an *elevated shopping way*. As a connection between such elements, each *development* shall provide a minimum of one pair of 32 inch wide escalators for each 150 linear feet, or fraction thereof, of *shopping way* within the *development*, except that when a *development* provides a secondary means of access to the *shopping way* from an upper-level lobby which (i) is reached from street level by an escalator and (ii) connects with the *shopping way* at a point at least 100 feet from a *shopping way* escalator, then additional *shopping way* escalators need be provided for each 200 linear feet of *shopping way*, or fraction thereof, in lieu of 150 linear feet. The ends of the escalators shall be clearly visible and directly accessible from the *shopping arcade* and *elevated shopping way* and, at those levels, shall be no farther than 25 feet from the *lot line*. At street level there shall be, with the exception of night gates and air doors, no restriction or obstruction between the sidewalk and the escalators.

86-055
Loggia

A *loggia* is a continuous covered space within a *zoning lot* which effect a pedestrian connection as required in the District Plan and which

(a) is located along a *street line*.

(b) is located above the level of the *street* such that it may not qualify as an *arcade*.

*(c) maybe open, except for building columns and railing, to the air space over the *street* throughout its length, or may be enclosed, by a colorless, untinted, non-reflective, transparent material, except that is may contain a base wall of opaque material up to a maximum height of 18 inches from the finished floor level, and if enclosed, it must therefore be heated and air conditioned (during the appropriate periods).

(d) has a minimum continuous width of 15 feet unobstructed except for building columns,

(e) has a minimum height of 20 feet,

(f) is open to the public at all hours, and

*(g) is designed so as to allow connection with all contiguous elements of the District Plan, and match the height of contiguous connecting circulation elements

86-056
Pedestrian connections

Pedestrian connections as shown in the District Plan are of two types—connections between two elements which are approximately at the same level and connections between two clearly separate levels. In the former case, the connection shall not be less than a level, or approximately level, walkway 15 feet in width, in the latter case the connection shall not be less than a pair of 32 inch wide escalators. In either case the connection may be effected by means of a *plaza*, *arcade*, *plaza* connected open area *through block arcade*, elevated *plaza*, *covered pedestrian space*, *loggia* or combination thereof. Bonus *floor area* shall be allowed at the rate specified in Section 86-058 (Floor area bonus) and shall be attributed to the provision of a *mandatory lot improvement* as such terms are used in Section 86-061 (Bonus floor area limitations).

86-057
Frontage allocated for Use Group G

Frontage along the inside boundary of a *shopping arcade* or an *elevated shopping way* shall be *developed* and used in accordance with the provisions of this Section

(a) A portion of such frontage equivalent to at least 50 percent of the linear dimension of the *front lot line* of the *zoning lot* along which *front lot line* or part thereof the *shopping arcade* or *elevated shopping way* is located shall be allocated for occupancy by *uses* in Use Group G

(b) The remainder of such frontage may be devoted to access to lobbies, *plazas*, or other pedestrian spaces, escalators or stairs, or to any *uses* permitted by the applicable regulations of the underlying district, provided that the aggregate linear dimension of all frontage occupied by airline offices, banks, loan offices or security brokerage offices may not exceed 25 percent of the linear dimension of the aforementioned *front lot line* of the *zoning lot*, and that no individual establishment in such category of *uses* may occupy more than 40 feet of frontage.

(c) The minimum depth for all store space fronting on a *shopping arcade* or *elevated shopping way* shall be 15 feet.

(d) No single segment of such frontage occupied exclusively by the facilities or *uses* set forth in paragraph (b) hereof may exceed 80 feet in length.

86-058
Floor area bonus

For each portion of a *lot improvement* provided, the *development* shall be eligible for bonus *floor area* at the rate set forth in the following table. The linear footage of an improvement is measured along the *lot line* of a *zoning lot*.

BONUS FLOOR AREA FOR PROVISION OF LOT IMPROVEMENTS

(a) for a *shopping way*	...400 sq ft. per linear ft.
(b) for a *shopping arcade*	..... 100 sq. ft. per linear ft.
(c) for an *elevated shopping way*	..... 300 sq. ft. per linear ft.
(d) for a *loggia*	..... 100 sq. ft. per linear ft.
(e) for a *pedestrian connection*	..... the bonus rate specified in the Zoning Resolution for the amenity provided
(f) for required escalators	..... 20,000 sq. ft. per pair of 32 inch wide escalators if a single run provided; 30,000 sq. ft. bonus if double run with intermediate landing provided
(g) for each tree provided on an elevated *plaza*	.....300 sq. ft. per tree

*A *lot improvement* which qualifies as a *shopping way* shall receive the bonus *floor area* therefor in lieu of separate bonuses for the *shopping arcade* and *elevated shopping way* comprising such *shopping way*.

86-059
Floor area bonus for certain lot improvements

Bonus *floor area* shall be granted for *covered pedestrian spaces*, *elevated plazas* or *through block arcades* where such features are designated on the District Plan as *lot improvements* and are constructed in accordance with the provisions of this Section.

(a) The grant of a bonus *floor area* for *covered pedestrian spaces* shall be conditioned upon compliance with the definition of *covered pedestrian space* as set forth in Section 12-10 (Definitions) and with the provisions of Section 74-87 (Covered Pedestrian Space), except that:

(Continued next page)

86-059 (continued)

(1) the *covered pedestrian space* may qualify by being directly accessible to the public from an adjoining *through block arcade*, *loggia*, *elevated shopping way*, *shopping arcade* or elevated *plaza* which is part of the public pedestrian circulation system, as well as from an adjoining *street*, *arcade*, *plaza*, *court*, *yard*, *pedestrian mall*, or other *covered pedestrian space*;

(2) *uses* permitted to occupy frontage along a *covered pedestrian space* are limited to those *uses* listed in Use Group G; and

(3) any findings pertaining to location or public need for the *covered pedestrian space* shall be considered to be satisfied by its mapping on the District Plan as a *preferred lot improvement*.

Bonus *floor area* allowances shall be as set forth in Section 74-87 (Covered Pedestrian Space) or as modified by the provisions of Section 86-048 (Basic maximum floor area ratio).

(b) The grant of bonus *floor area* for elevated *plazas* shall be conditioned upon compliance with the definition of *plaza* as set forth in Section 12-10 (Definitions), except that:

(1) the inner boundary of an adjacent *elevated shopping way* may serve as a reference line for location and dimension requirements instead of the *front lot line*;

(2) the level of the elevated *plaza* shall be limited to not more than three feet above or below the level of an adjacent *elevated shopping way* or other adjacent *lot* or *pedestrian circulation improvements* by which public access to the elevated *plaza* is provided;

(3) the elevated *plaza* shall have not less than one tree per 1300 square feet of elevated *plaza*, each tree being of a minimum caliper of 6 inches and being watered by an automatic watering system, the measurement of caliper and the specifications for planting being in accordance with the standards and specifications of the American Society of Nurserymen; and

(4) the Commission may authorize obstructions in addition to those permitted by the definition of *plaza*. Such obstructions may generally include features of an artistic nature, kiosks or open *uses* for public recreation, eating, entertainment and enjoyment, such as open air cafes. Not more than two-thirds of the *plaza*'s area may be occupied by such obstructions or *uses*, and they shall be restricted to appropriate areas so that suitable space is reserved and conveniently located for walking, standing, sitting and the providing of any pedestrian connection required by the District Plan.

Bonus *floor area* allowance shall be as set forth in Section 33-13 (Floor Area Bonus for a Plaza) or as modified by the provisions of Section 86-048 (Basic maximum floor area ratio).

(c) The grant of bonus *floor area* for *through block arcades* shall be conditioned upon compliance with the definition of *through block arcade* as set forth in Section 12-10 (Definitions) and the provisions of Section 74-82 (Through Block Arcades), except that:

(1) the *through block arcade* may qualify by being directly accessible to the public from a *loggia*, elevated *plaza*, *covered pedestrian space*, *elevated shopping way* or *shopping arcade* which is part of the public pedestrian circulation system, as well as from an adjoining *street*, *plaza* or *arcade*; and

(2) *uses* permitted to occupy frontage along a *through block arcade* are limited to those *uses* listed in Use Group G.

Bonus *floor area* allowances shall be as set forth in Section 74-82 (Through Block Arcades) or as modified by the provisions of Section 86-084 (Basic maximum floor area ratio).

86-0510

Permitted obstructions in plazas

By special authorization, the City Planning Commission may authorize obstructions in addition to those permitted by the definition of *plaza* upon the terms and conditions set forth in paragraph (3) of Section 86-059(b) (Floor area bonus for certain lot improvements).

86-06
Floor Area Limitations

86-061
Bonus floor area limitations

Floor area bonuses for (i) *mandatory* or *preferred lot improvements*, (ii) *pedestrian circulation improvements*, where the additional *floor area* attributable to such improvements is credited as bonus *floor area* as provided in Section 86-048 (Basic maximum floor area ratio), or (iii) amenities for which bonus *floor area* is allowed under the provisions of the underlying districts, or under such provisions as modified by the provisions of this Chapter, are limited as follows:

(a) Aggregate *floor area* bonuses for any *development* in the District shall not exceed 40 percent of the basic or adjusted basic maximum *floor area ratio* as set forth in Sections 33-12 (Maximum Floor Area Ratio) and 86-048 (Basic maximum floor area ratio), respectively.

(b) That portion of the aggregate *floor area* bonuses attributable to improvements or amenities other than *mandatory lot improvements* or *mandatory pedestrian circulation improvements* shall not exceed 20 percent of the basic or adjusted basic maximum *floor area ratio*.

86-062

Floor area ratio limitation

In no event shall the *floor area ratio* for any *development* exceed the basic or adjusted basic maximum *floor area ratio* by more than 20 percent except that on a *zoning lot* the permitted *floor area ratio* may exceed the basic or adjusted basic maximum *floor area ratio* plus 20 percent if developed in accordance with the provision of Section 86-11 (Modification of Regulations for Commercial Development Extending into More than One Block) or the provisions of Section 74-79 (Transfer of Development Rights from Landmark Sites).

86-063

Conversion of excess bonus floor area into tower coverage

Bonus *floor area ratio* for which a *development* would be eligible under the provisions of this Chapter but for the *floor area ratio* limitation set forth in Section 86-062 may be converted into increased tower coverage so that the maximum percent of *lot area* which may be occupied by a tower shall be the sum of 40 percent plus one half of one percent for every .1 by which the *floor area* for such *development* would exceed *floor area ratio* 18, provided that in no event may tower coverage on a *zoning lot* exceed 55 percent.

86-07
Modification of Height and Setback Regulations

86-071

Increased tower coverage

Tower coverage permitted by the provisions of Section 33-45 (Tower Regulations) may be increased in accordance with the provisions of Section 86-063 (Conversion of excess bonus floor area into tower coverage).

86-072

Building walls along certain street lines

Notwithstanding any other provision of this Chapter, where the District Plan shows a mandatory requirement for a *development* to be built to a *street line*, any such *development* shall have an exterior wall (i) coincident with such *street line*, (ii) constructed along the entire length of the portion of the *street line* bounding the *zoning lot* and (iii) with regard to the block listed below, rising, without setback, for a height above *curb level* of not less than the amount specified below:

(a) For blocks 13N, 20S, 20N and 21: a height of not less than 85 feet.

(b) For Block 13S, a height of not less than 85 feet, provided, however, if Block 13S is *developed* as one *development*, such *development*, shall rise at the *street line* of Battery Place and of Broadway, without setback, to a minimum height of 35 feet but not exceeding 85 feet except that the tower of such *development* shall rise, without setback, to its full height at the southeast corner of such block.

(c) For Block 56N, a height of not less than 200 feet above *curb level*, or the full height of the *building*, whichever is less.

Where *building* walls are mandated to be built at the *street line*, such mandated front *building* wall requirements are optional along *street* that intersects with *streets* having mandated front *building* wall requirements. In no case shall such optional front *building* walls extend for a distance from the intersection more than 1.5 times the width of the *street* along which such optional *building* wall fronts.

If an open area is provided along the full length of the portion of the *front lot line*, not subject to optional front *building* wall requirements, the provisions of Section 33-44 (Alternate Front Setbacks) may apply.

86-073

Exemptions from tower setback requirements

Any *development* which contains a *mandatory* or *preferred lot improvement* which the *developer* elects to construct and is *developed* under the provisions of this Chapter, is exempted from those provisions of Sections 33-451, 33-455, 33-456 or 33-457 which established tower setback requirements or otherwise restrict the location of a tower on the *zoning lot*.

86-074

Modifications by special permit

For any *development* in the District, the provisions of Section 73-68 (Height and Setback and Yard Modifications) shall not apply in the District.

The City Planning Commission may, by special permit after public notice and hearing and subject to Board of Estimate action, permit modifications of the height and setback regulations of the underlying districts or of such regulations as modified by the provisions of this Chapter.

86-08
Modification of Special Permit Regulations

86-081

Mandatory or preferred lot improvements

Notwithstanding any provisions to the contrary, a *development's* receipt of a *floor area* bonus for a *mandatory lot improvement* or a *preferred lot improvement* shall not require application for, or issuance of, a special permit by the City Planning Commission.

86-082

Elevated plazas in C6-4 District

For elevated *plazas* not mapped as *mandatory* or *preferred lot improvements*, the provisions of Section 74-76 (Elevated Plazas) are made applicable in the C6-4 portion of the District in addition to the districts in which they are otherwise applicable.

86-09
Special Use Regulations

86-091

Minimum retail requirement

A minimum of 2½ percent of the total *floor area* of any *development* in the District shall be allocated for occupancy by *uses* listed in Section 86-092 (Use Group G). Only the net floor space for lease and actual physical occupancy by individual *uses* and not including corridors and other space used in common will be counted in determining the amount of space so allocated. For the purposes of meeting the minimum space requirements for such *uses*, space will be counted as qualifying only if accessible to the public and located on one or more of the following levels:

(Continued next page)

86-091 (continued)

(a) a level at which access to such space is provided directly from a *street* or indirectly from a *street* through a lobby,

(b) a mezzanine immediately above the level specified in paragraph (a) above,

(c) a level other than the *street* level at which access to such space is provided directly from a *mandatory* or *preferred lot improvement* or indirectly from such *improvement* through a lobby, and

(d) a mezzanine immediately above the level specified in paragraph (c) above.

By special authorization, the City Planning Commission may permit *floor area* not exceeding 20 percent of the total *floor area* required to be allocated for *uses* in Use Group G to be located in an area other than one of the aforementioned areas listed. Alternate areas include, but are not limited to, the top *story* of a *building* for a roof top restaurant open to the public or a *plaza* for an open air cafe. Space devoted to an open air cafe on a *plaza* shall not be included in a *building's floor area*. Such alternate areas may qualify under Commission authorization only if the Commission finds that their arrangement and intended use is suitable from the standpoint of service to the public.

86-092

Use Group G

A. Convenience Retail or Service Establishments

1. Bakeries, provided that *floor area* used for production shall be limited to 750 square feet per establishment
2. Barber shops
3. Beauty parlors
4. Drug stores
5. Eating or drinking places, including those which provide outdoor table service or incidental musical entertainment
6. Food stores, including supermarkets, grocery stores, meat markets, or delicatessen stores
7. Hardware stores
8. Package liquor stores
9. Shoe or hat repair shops
10. Stationery stores
11. Tailor or dressmaking shops, custom
12. Variety stores, limited to 10,000 square feet of *floor area* per establishment
13. Dry cleaning or clothes pressing establishments or receiving stations dealing directly with ultimate consumers, limited to 2,000 square feet of *floor area* per establishment, and provided that only solvents with a flash point of not less than 138.2 degrees Fahrenheit shall be used, and total aggregate dry load capacity of machines shall not exceed 60 pounds

B. Retail or Service Establishments

1. Antique stores
2. Art gallery, commercial
3. Artists' supply stores
4. Automobile supply stores, with no installation or repair services
5. Bookstores
6. Candy or ice cream stores
7. Cigar or tobacco stores
8. Clothing or clothing accessory stores, limited to 10,000 square feet of *floor area* per establishment
9. Dry goods or fabric stores, limited to 10,000 square feet of *floor area* per establishment
10. Florist shops
11. Furniture stores, limited to 10,000 square feet of *floor area* per establishment
12. Furrier shops, custom
13. Gift shops
14. Interior decorating establishments, provided that *floor area* used for processing, servicing or repairs shall be limited to 750 square feet per establishment
15. Jewelry or art metal craft shops
16. Leather goods or luggage stores
17. Locksmith shops
18. Millinery shops
19. Musical instrument repair shops
20. Music stores
21. Newsstands, open or enclosed
22. Optician or optometrist establishments
23. Pawn shops
24. Pet shops
25. Photographic equipment or supply stores
26. Photographic studios
27. Picture framing shops
28. Printing establishments, limited to 2,500 square feet of *floor area* per establishment for production, post offices and telegraph offices, limited to 2,500 square feet of *floor area* per establishment.
29. Record stores
30. Shoe stores
31. Sporting or athletic stores
32. Stamp or coin stores
33. Television, radio, phonograph or household appliance stores, limited to 10,000 square feet of *floor area* per establishment
34. Toy stores
35. Typewriter or other small business machine sales, rental or repair stores
36. Umbrella repair shops
37. Watch or clock stores or repair shops
38. Off-track betting establishments

C. Amusements

1. Theaters

86-10 MODIFICATION OF OFF-STREET PARKING AND LOADING REGULATIONS

86-101

Restricted access

Vehicular access or egress for parking facilities shall in no case be located on the *streets* listed below. Vehicular access or egress for permitted or required *accessory* off-street loading berths or for the service entrance to a *building* may not be located on the *streets* listed below unless the Commissioner of Buildings has certified that there is no way to provide such berths on entrances with access or egress on some other *street*.

(a) The east side of West Street between Liberty Street and Battery Place;

(b) Greenwich Street between Liberty Street and Edgar Street;

(c) The west side of Broadway between Cortlandt Street and Battery Place;

(d) Cedar Street between Broadway and Greenwich Street;

(e) Rector Street;

(f) Exchange Alley;

(g) Morris Street between Broadway and Greenwich Street; and

(h) Battery Place

86-11

Modification of Regulations for Commercial Development Extending into More than One Block

For a site located in the District the minimum requirements which must be satisfied before consideration by the Commission of an application for *development* under the provisions of Section 74-71 (Commercial Developments Extending into More Than One Block) are modified to the following extent:

To be included in the site for such *development* a *zoning lot* need not be, for an aggregate distance of at least 100 feet, directly across a *street* from other *zoning lots* included in the site. It must, however, either be across a *street* and opposite to other *zoning lots* included in the site or, in the case of *corner lots*, front on the same *street* intersection as other *zoning lots* included in the site.

The percent of the area of the entire site which the Commission may permit to be occupied by a tower as defined in Section 33-45 (Tower Regulations) is not limited to 40 percent, but shall in no event exceed the coverage that would be permitted by applying the provisions of Section 86-063 (Conversion of excess bonus floor area into tower coverage) to the entire site.

Paragraph (c) in Section 74-742 (Authorizations and findings), relating to the requirement that at least 60 percent of the entire site be developed either as *plaza* or open area etc. or as landmark and historic buildings, etc. is not applicable within the District.

86-12

Notice; Certification; Construction of Improvements; etc.

86-121

Developer's notice; Chairman's certification

As conditions to the issuance by the Department of Buildings of an excavation permit for *development* of a *zoning lot* in a block containing any *mandatory* or *preferred lot improvement* or *mandatory pedestrian circulation improvement* or where a *developer* elects to provide an *elective pedestrian circulation improvement*, (a) the *developer* shall have submitted to the Chairman of the City Planning Commission (i) written notice of its intention to *develop* a *zoning lot*, or portion thereof, in the *District*, the *floor area* of such intended *development*, and the *lot* and *pedestrian circulation improvements*, if any, which the *developer* shall construct or have a private party or a public agency construct on its behalf (ii) plans and outline specifications for those *lot improvements* and *mandatory* and *elective pedestrian circulation improvements* which it shall construct or have a private party or a public agency construct on its behalf pursuant to this Chapter; (iii) regarding those pedestrian circulation improvements which the *developer* has a private party or a public agency construct on its behalf, an agreement, satisfactory to the Chairman of the City Planning Commission, obligating such private party or public agency to construct such improvement reasonably coincident with the construction of the *development*; and (iv) waivers, consents, agreements, restrictive declarations or other legal documents obligating the *developer*, its heirs and devisees, successors and assigns, to *develop* its property in accordance with the District Plan and the provisions of this Chapter and, with regard to those *lot* and *pedestrian circulation improvements* which provide access to a subway station, to permit public passage through such *improvements* at such times as reasonably required by the New York City Transit Authority and (b) the Chairman of the City Planning Commission shall have certified to the Department of Buildings receipt of the aforesaid documents and the *developer's* compliance with the requirements of the District Plan. Where a *developer* is required to have a private party or a public agency construct an *elective pedestrian circulation improvement* on its behalf (the "third party improvement") and the *developer* is unable to enter into an agreement with such private party or public agency which is satisfactory to the Chairman of the City Planning Commission, the Chairman may allow the *developer* to select the next highest ranked unconstructed improvement in lieu of the third party improvement and, if necessary, such other listed improvements, in accordance with Section 86-049 (Selection of pedestrian circulation improvements). Minor deviations in the physical dimensions of *lot* and *pedestrian circulation improvements* required (i) for architectural reasons and (ii) to insure the continuity of the circulation systems contemplated by the District Plan shall not prevent such compliance nor require special authorization pursuant to Section 86-13.

86-122

Developer's construction of improvements; certificate of occupancy

A *development* shall not be issued a certificate of occupancy for the additional bonus *floor area* attributable to those *lot* and *pedestrian circulation improvements* which

(a) the *developer* constructs, until such *improvements* have been completed and have received the approval of the Department of Buildings or

(b) the *developer* has a private party or a public agency construct on its behalf, until the agreement referred to in Section 86-121 has been submitted to and approved by the Chairman of the City Planning Commission.

When the construction of such *improvements* directly affects a facility or subway station of the Transit Authority, such construction shall be accomplished pursuant to construction procedures satisfactory to the Transit Authority.

86-123

Maintenance; etc.

The *developer* who constructs, or has a private party or a public agency construct on its behalf, a *pedestrian circulation* or *lot improvement* shall be responsible for the maintenance, upkeep and provision of insurance therefor if such *improvement* is on or connects with such *developer's zoning lot* at or above street level. Regarding any such *improvement* which is not on or connects with such *developer's zoning lot* at or above street level, the requirements of this Section shall be the responsibility of (i) the Transit Authority if such *improvement* directly connects with a subway station and either is on public property or replaces a facility which was on public property, and (ii) in all other cases, the responsibility of the owner or owners of the *zoning lot* or *lots* which connect with such *improvement*.

86-124

Compliance with District Plan

Any *development* in the *District* shall provide the necessary connection and facilities for receiving and connecting with *pedestrian circulation* and *lot improvements* built or to be built pursuant to the District Plan. Where the District Plan requires the provision of an improvement spanning a *street* and such *street* is subsequently closed and the land therein conveyed to an abutting landowner to consolidate a *zoning lot*, the District Plan requirement shall not apply.

86-125

Franchises; partial street conveyances

The Board of Estimate may make any grant of a franchise, right, contract or consent pursuant to Chapter 14 of the New York City Charter and any conveyance of a portion of a closed street, whether the air space thereover or space thereunder, pursuant to Chapter 15 of the Administrative Code of the City of New York for such consideration as it deems to be in the best interest of the public upon a finding that (i) such grant or conveyance is necessary to provide an improvement identified in the District Plan, (ii) such improvement is provided for public use, constructed and maintained in accordance with the provisions of this Chapter and does not contain any stores or other facilities yielding economic gain to the *developer* and (iii) in the case of the conveyance of a portion of a closed *street*, the *developer* receives no *floor area* or *lot coverage* attributable to such conveyed portion. In cases where such improvement contains stores or other facilities yielding economic gain, the Board of Estimate may consider the public benefit accruing from, and costs incurred by the *developer* in providing and maintaining, such improvement in determining the fair consideration for such grant or conveyance.

86-13

Special Authorization by Commission

On application, the City Planning Commission may grant special authorizations for minor modifications of the provisions of the Chapter upon a *developer's* showing of compelling necessity. Such authorizations, however, may in no event include modification of:

(a) permitted *floor area ratio* regulations,

(b) height and setback regulations,

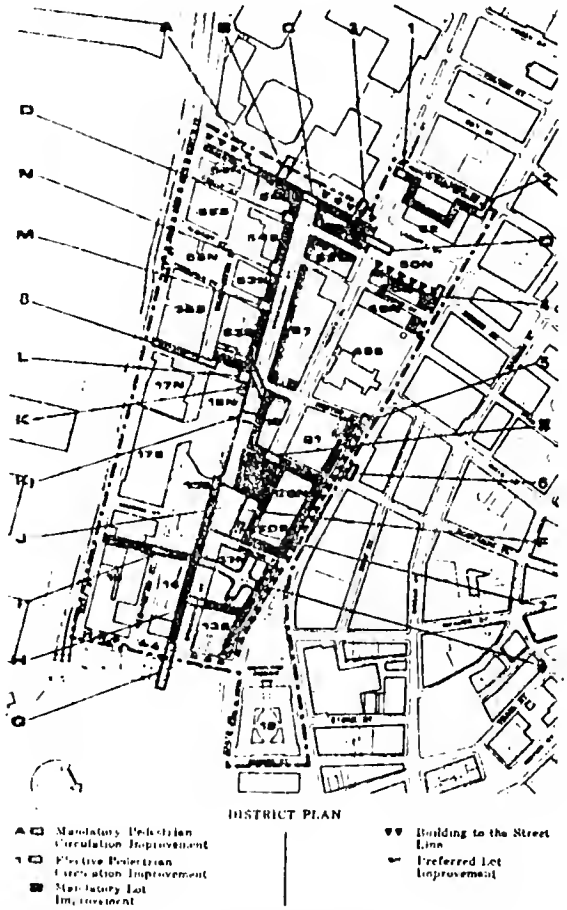
(c) *use* regulations of the underlying district; or

(d) *accessory* off-street parking and loading regulations of the underlying district.

The Commission may also grant upon application special authorization (i) exempting an *enlargement* from any or all of the requirements of this Chapter upon a showing that such requirements would impose an unreasonable burden, (ii) modifying the provisions of this Chapter in accordance with the provisions of Section 86-091 (Minimum Retail requirement) and 86-0510 (Permitted obstructions in plazas) and (iii) modifying the proportionality and elevation of *urban plaza* requirements as defined in Section 12-10, where such modifications would enhance the pedestrian circulation system.

All such applications shall be granted in whole or in part or denied by the Commission within 45 days after receipt thereof. The Commission may prescribe appropriate conditions and safeguards in connection with the grant of such special authorizations.

APPENDIX A



APPENDIX B

DESCRIPTION OF IMPROVEMENTS BY BLOCK

This appendix lists the *mandatory pedestrian circulation improvements* ("PCI"s), *mandatory lot improvements* and *preferred lot improvements* which are designated *block* improvements on the District Plan (Appendix A) for the *Special Greenwich Street Development District*. The appendix refers to the text for the requirements and bonus rates for the following improvements:

(a) *elevated shopping bridge* (Section 86-042)
(b) *enclosed pedestrian bridge* (Section 86-043)
(c) *open pedestrian bridge* (Section 86-044)
(d) *pedestrian deck* (Section 86-045)
(e) *shopping arcade* (Section 86-052)
(f) *elevated shopping way* (Section 86-053)
(g) *shopping way* (Section 86-054)
(h) *loggia* (Section 86-055)
(i) *pedestrian connection* (Section 86-056)
(j) *covered pedestrian space* (Section 86-059(a))
(k) *elevated plaza* (Section 86-059(b))
(l) *elevated block arcade* (Section 86-059(c))
(m) requirement to build to *street line* (Section 86-072)

Block 12

No designated improvements.

Block 13S

Mandatory Pedestrian Circulation Improvements

PCI:H. An *open pedestrian bridge* spanning Greenwich Street between the east *lot line* of block 14 and the west *lot line* of block 13S and providing pedestrian access between the public pedestrian circula-

Block 13S (continued)

tion system required in block 13S and the *elevated shopping way* required in block 14. Not required if block 14 has not been redeveloped to provide the *elevated shopping way*.

Mandatory Lot Improvements

(a) A *pedestrian connection* in the northerly portion of the site between street level at Broadway and PCE11 (above the level of Greenwich Street).

(b) A *pedestrian connection* open to the public at all hours between the mezzanine of the Lex IRT Bowling Green Station (on the south *lot line*) and street level at Broadway (about midway on the east *lot line*), open to the air and with accommodious, and obviously public, access from Broadway.

(c) Build a *street line* on Broadway and Battery Place.

Preferred Lot Improvements

(a) A *covered pedestrian space* along the southern portion of the east *lot line*. This *covered pedestrian space* may qualify for bonus *floor area* under the provisions of Section 86-08 (Modification of Special Permit Regulations) if, in addition to meeting the requirements set forth in Section 12-10 (Definitions) as modified by Section 86-059, the *covered pedestrian space* provides:

(1) a public space in which the stairs from the sidewalk on Battery Place are replaced by a *pedestrian connection*, including not less than one pair of 32 inch wide escalators, between the Lex IRT Bowling Green Station and street level at Broadway;

(2) for the penetration of daylight into the subway station or concourse, and

(3) by such means as an *arcade*, a greater sidewalk width along the west side of Broadway while preserving the solid corner by building to the *lot line* at the southeast corner of the *zoning lot*.

(b) An *arcade* with a minimum width of 15 feet along Broadway (the east *lot line*).

(c) A *pedestrian connection* between the mandatory through block *pedestrian connection* (see (a) above) and PCE9 (the *covered pedestrian space* in block 13N).

Block 13N

Mandatory Lot Improvements

(a) Build to *lot line* on Broadway.

(b) An *arcade* along Broadway (the east *lot line*).

Block 14

Mandatory Pedestrian Circulation Improvements

PCE1. An *open pedestrian bridge* spanning Washington Street between the east *lot line*, near its midpoint, of block 15 and the west *lot line*, near its midpoint, of block 14 and providing pedestrian access between the elevated public pedestrian circulation systems required in both blocks.

PCE6. An *open pedestrian bridge* spanning Battery Place between and the east end of the south *lot line* of block 14 and Battery Park and a stair or ramp from the south end of the bridge down to the level of Battery Park and providing pedestrian access between Battery Park and the *elevated shopping way* required in block 14.

PCE11. An *open pedestrian bridge* spanning Greenwich Street between the east *lot line* of block 14 and the west *lot line* of block 13S and providing pedestrian access between the public pedestrian circulation system required in block 13S and the *elevated shopping way* required in block 14. Not required if block 13S has not been redeveloped to provide the required public pedestrian circulation system.

Mandatory Lot Improvements

(a) An *elevated shopping way* along Greenwich Street.

(b) A *pedestrian connection* between PCE1 (above the level of Washington Street) and (a) above.

(c) Build to *street line* on Battery Place.

Block 15

Mandatory Lot Improvements

(a) A *pedestrian connection* between PCE1 (above the level of Washington Street) and West Street (above street level about midway on the west *lot line*).

(b) Build to lot line on Battery Place.

†(c) Build to *street line* on West Street.

Block 17S

Mandatory Lot Improvements

†(a) Build to *street line* on West Street.

Block 17N

Mandatory Lot Improvements

†(a) Build to *street line* on West Street.

Block 18S

Mandatory Pedestrian Circulation Improvements

PCE4. A *pedestrian deck* above Greenwich Street from Morris Street to a point 75 feet south of Edgar Street extending, at its southern end, 90 feet east from the east *lot line* of block 18S and, at its northern end, 120 feet east of the east *lot line* of block 18S and being at the same level and having direct pedestrian access from the *elevated shopping way* required in block 18S. The *pedestrian deck* shall also provide for pedestrian facilities including but not limited to benches, outdoor cafe, and kiosks for *uses* from Use Group G.

Mandatory Lot Improvements

An *elevated shopping way* along Greenwich Street south from a point 75 feet south of Edgar Street.

Preferred Lot Improvements

A *shopping way along* Greenwich Street north from a point 75 feet south of Edgar Street.

Block 18N

Mandatory Pedestrian Circulation Improvements

PCE8. An *enclosed pedestrian bridge* spanning Greenwich Street between the east *lot line* of block 18N and the west *lot line* of block 19 and providing pedestrian access between the *elevated shopping ways* required in both blocks. Not required if block 19 has not been redeveloped to provide the *elevated shopping way* or if PCE8 has been accomplished.

PCE14. An *elevated shopping bridge* spanning Rector Street between the east end of the south *lot line* of block 53S and the east end of the north *lot line* of block 18N and providing pedestrian access between the *elevated shopping ways* required in both blocks. Not required if block 53S has not been redeveloped to provide the *elevated shopping way*.

(Continued next page)

Block 18N (continued)

Preferred Lot Improvements

(a) A *shopping way* along Greenwich Street.

(b) A *pedestrian connection* between the 7th Ave. IRT Rector Street Station (at the northern end of the east *lot line*) and street level at Greenwich Street.

Block 19 (Note that Section 86-11 makes it possible to *develop* this block in conjunction with block 20N or block 53S.)

Mandatory Pedestrian Circulation Improvements

PCI.E. An *enclosed pedestrian bridge* spanning Trinity Place between the southeast corner of block 19 and the northwest corner of block 20N and providing pedestrian access between the elevated public pedestrian circulation systems required in both *blocks*. Not required if PCE10 is accomplished, or if block 20N has not been redeveloped to provide the *pedestrian connection*.

PCI.K1. An *enclosed pedestrian bridge* spanning Greenwich Street between the east *lot line* of block 18N and the west *lot line* of block 19 and providing pedestrian access between the *elevated shopping ways* required in both blocks. Not required if block 18N has not been redeveloped to provide the *elevated shopping way*.

PCI K. An *enclosed pedestrian bridge* spanning the intersection of Rector and Greenwich Streets between the southeast corner of block 53S and the northwest corner of block 19 and providing pedestrian access between the *elevated shopping ways* required in both blocks. Not required if PCI.L is accomplished or if block 53S has not been redeveloped to provide the *elevated shopping way*

Mandatory Lot Improvements

(a) a *shopping way* along Greenwich Street.

(b) A *pedestrian connection* along the south *lot line* between street level at Trinity Place and street level at Greenwich Street.

(c) A *pedestrian connection* along the south *lot line* between the *elevated shopping way* along Greenwich Street and PCI.E.

Preferred Lot Improvements

(a) A *pedestrian connection* between the 7th Ave. IRT Rector Street Station (at the north end of the west *lot line*) and street level at Greenwich Street.

(b) A *pedestrian connection* between the Bwy BMT Rector Street Station (at the north end of the east *lot line*) and the street level at Trinity Place.

(c) A *covered pedestrian space* at the north end of the *block* with a view toward Trinity Church. This *covered pedestrian space* may qualify for bonus *floor area* under the provisions of Section 86-08 (Modification of Special Permit Regulations) if, in addition to meeting the requirements set forth in Section 12-10 (Definitions) as modified by Section 86-059, the *covered pedestrian space*

(1) has direct pedestrian access from Greenwich Street, Rector Street and Trinity Place,

(2) provides a public space in which a *pedestrian connection*, including not less than one pair of 32 inch wide escalators, is accomplished between street level and the 7th Ave IRT and Bwy BMT Rector Street Stations, and

(3) provides for the penetration of daylight into both subway stations or concourses.

Block 20S

Mandatory Pedestrian Circulation Improvements

PCI.F. A *pedestrian deck* spanning Trinity Place between the west *lot line* of block 20S and the east edge of PCI.J, extending the full length of the west *lot line* of block 20S and having direct pedestrian access from the *elevated shopping way* required in block 20S. The *pedestrian deck* shall also provide for pedestrian facilities including but not limited to benches, outdoor cafe, and kiosks for uses from Use Group G.

Mandatory Lot Improvements

(a) Build to *lot line* on Broadway.

(b) An *elevated shopping way* along Trinity Place.

(c) A *pedestrian connection* along the south *lot line* between street level at Broadway and (b) above.

(d) An *arcade* with a minimum width of 15 feet along Broadway (the east *lot line*).

Block 20N (Note that Section 86-11 makes it possible to *develop* this block in conjunction with block 19.)

Mandatory Pedestrian Circulation Improvements

PCI.E. An *enclosed pedestrian bridge* spanning Trinity Place between the southeast corner of block 19 and the northeast corner of block 20N and providing pedestrian access between the elevated public pedestrian circulation systems required in both blocks. Not required if block 19 has not been redeveloped to provide the *pedestrian connection*.

Mandatory Lot Improvements

(a) Build to *lot line* on Broadway (east *lot line*).

(b) An *elevated shopping way* along Trinity Place (the west *lot line*).

(c) A *pedestrian connection* along Exchange Alley (the north *lot line*) between street level at Broadway the the *elevated shopping way* at Trinity Place.

(d) An *arcade* with a minimum width of 15 feet along Broadway (the east *lot line*).

(e) An *elevated plaza* spanning Trinity Place between the west *lot line* of block 20N and the east *lot line* of Greenwich Street and extending from PCI.J and PCI.F on the south to block 19 and PCI.E on the north. This *elevated plaza* may qualify for bonus *floor area* under the provisions of Section 86-08 (Modification of Special Permit Regulations) if, in addition to meeting the requirements for *plazas* set forth in Section 12-10 (Definitions) as modified by Section 86-059, the elevated *plaza*

(1) provides commodious, and obviously public, pedestrian access from street level on Greenwich Street near the intersection with Edgar Street as well as from PCI.F, PCI.J, the *elevated shopping way* in block 20N and the elevated pedestrian circulation system in block 19, and

(2) provides for pedestrian facilities including but not limited to benches, outdoor cafe, and kiosks for uses from Use Group G.

This *elevated plaza* is not required if the triangular property south of Edgar Street and between Greenwich Street and Trinity Place is not available for *development* with block 20N.

Block 21

Mandatory Lot Improvements

(a) Build to *street line* on Broadway.

(b) A *pedestrian connection* between the Lex IRT Wall Street Station and street level at Trinity Place.

(c) A *pedestrian connection* between the Lex IRT Wall Street Station and street level at Broadway.

(d) A *pedestrian connection* between the Bwy BMT Rector Street Station (at the northern end of the west *lot line*) and street level at Trinity Place.

(e) An *arcade* with a minimum width of 15 feet along Broadway (the east *lot line*).

Preferred Lot Improvements

A *covered pedestrian space* at Broadway and Rector Street (the north and east *lot lines*) with a view of Trinity Church. This may qualify for bonus *floor area* under the provisions of Section 86-08 (Modification of Special Permit Regulations) if, in addition to meeting the requirements set forth in Section 12-10 (Definitions) as modified by Section 86-059, the *covered pedestrian space*

(1) provides a public space in which a *pedestrian connection*, including not less than one pair of 32 inch wide escalators, is accomplished between the Lex IRT Wall Street Station and street level at Broadway,

(2) provides for the penetration of daylight into the subway station or concourse, and

(3) provides, by such means as an *arcade*, a greater sidewalk width along the the west side of Broadway while preserving the street wall by building to the east *lot line*.

Block 49S

No designated improvements.

Block 49N

Mandatory Lot Improvements

(a) Build to *street line* on Broadway.

(b) A *pedestrian connection* between the Lex IRT Wall Street Station and street level at Trinity Place.

(c) A *pedestrian connection* between the Lex IRT Wall Street Station and street level at Broadway.

(d) An *arcade* with a minimum width of 15 feet along Broadway (the east *lot line*).

Block 50S

Mandatory Lot Improvements

(a) Build to *street line* on Broadway and Cedar Street.

(b) An *arcade* with a minimum width of 15 feet along Broadway (the east *lot line*).

Preferred Lot Improvements

A *shopping arcade* along Cedar Street (the north *lot line*).

Block 50N

Mandatory Lot Improvements

(a) Provision to accept PCE4.

(b) Provision to accept PCE3.

Block 51

Mandatory Lot Improvements

(a) A *pedestrian connection* between the Bwy BMT Rector Street Station (at the south end of the east *lot line*) and street level at Trinity Place.

(b) A *pedestrian connection* between the 7th Ave IRT Rector Street Station (at the south end of the west *lot line*) and street level at Greenwich Street.

Preferred Lot Improvements

A *shopping arcade* along Greenwich Street (the west *lot line*).

Block 52S

Preferred Lot Improvements

A *shopping arcade* along Greenwich Street and Cedar Street.

Block 52N

Mandatory Pedestrian Circulation Improvements

PCE2. An *open pedestrian bridge* spanning Greenwich Street between the north end of the east *lot line* of block 54N and the north end of the west *lot line* of block 52N and providing pedestrian access between the elevated public pedestrian circulation systems required in both blocks. Not required if block 54N has not been redeveloped to provide the *pedestrian connection*.

PCE3. An *open pedestrian bridge* spanning Trinity Place between the east *lot line*, near its middle, of block 52N and the west *lot line*, near its middle, of block 50N and a stair or ramp from the east of the bridge down to the level of Liberty Plaza and providing pedestrian access between Liberty Plaza and the elevated public pedestrian circulation system required in block 52N.

Mandatory Lot Improvements

(a) Build to *street line* on Trinity Place and Liberty Street.

(b) A *pedestrian connection* open to the public at all hours, with commodious, and obviously public, access from Trinity Place, between PCE3 and street level near the corner of Liberty Street and Trinity Place.

(c) A *pedestrian connection* between PCE3 and street level near the corner of Liberty Street and Trinity Place.

(d) A *pedestrian connection* between PCE3 and PCE2.

Preferred Lot Improvements

(a) A *shopping arcade* along Greenwich Street and Cedar Street.

(b) A *covered pedestrian space* along Trinity Place (the east *lot line*). This *covered pedestrian space* may qualify for bonus *floor area* under the provisions of Section 86-08 (Modification of Special Permit Regulations) if, in addition to meeting the requirements set forth in Section 86-059, the *covered pedestrian space* provides

(Continued next page)

Block 52N (continued)

(1) a public space in which the stairs from the sidewalk on Liberty Street are replaced by a *pedestrian connection*, including one pair of 32 inch wide escalators, between PCE3 (pedestrian tunnel under Liberty Street to the World Trade Center concourse) and *street* level.

(2) a *pedestrian connection*, including one pair of 32 inch wide escalators between the elevated system of *pedestrian connections*. (PCE:D—the *open pedestrian bridge* across Trinity Place and the *pedestrian connection* between PCE:D and PCE:C) and *street* level.

(3) for the penetration of daylight down to the level of PCE:D, and

(4) by such means as an *arcade*, a greater sidewalk width along the west side of Trinity Place while preserving the *street wall* by building to the east *lot line*.

†(c) An open *loggia* along Liberty Street (the north *lot line*) providing a pedestrian connection between PCE:D and PCE:C.

Block 53S (Note that section 86-11 makes it possible to *develop* this block in conjunction with block 19.)

Mandatory Pedestrian Circulation Improvements

PCE:L. An *elevated shopping bridge* spanning Rector Street between the east end of the south *lot line* of block 53S and the east end of the north *lot line* of block 18N and providing pedestrian access between the *elevated shopping ways* required in both blocks. Not required if block 18N has not been redeveloped to provide the elevated *shopping way*.

PCE:K. An *enclosed pedestrian bridge* spanning the intersection of Rector and Greenwich Streets between the southeast corner of block 53S and the northwest corner of block 19 and providing pedestrian access between the *elevated shopping ways* required in both blocks. Not required if PCE:L is accomplished or if block 19 has not been redeveloped to provide the *elevated shopping way*.

PCE:M. An *elevated shopping bridge* spanning Carlisle Street between the east end of the south *lot line* of block 53N and the east end of the north *lot line* of block 53S and providing pedestrian access between the *elevated shopping ways* required in both blocks. Not required if block 53N has not been redeveloped to provide the *elevated shopping way*.

Mandatory Lot Improvements

(a) A *shopping way* along Greenwich Street

(b) A *pedestrian connection* between the 7 Ave. IRT Rector Street Station (at the south end of the east *lot line*) and the *street* level at Greenwich Street.

(c) A *pedestrian connection* (along the south *lot line*) between the *elevated shopping way* along Greenwich Street and PCE:S (at the south end of the west *lot line*)

Preferred Lot Improvements

An *elevated plaza* along Rector Street (the south *lot line*). This *elevated plaza* may qualify for bonus *floor area* under the provisions of Section 86-08 (Modification of Special Permit Regulations) if, in addition to meeting the requirements for *plazas* as est forth in Section 12-10 (DEFINITIONS) as modified by Section 86-059, the *elevated plaza*

(1) provides commodious, and obviously public, pedestrian access from the *street* level on Greenwich Street at the southeast corner of the block as well as from the adjacent blocks, as provided by PCE:L or PCE:K and PCE:8, and

(2) provides for pedestrian facilities including, but not limited to, benches, outdoor cafe, and kiosks for uses from Use Group G.

Block 53N

Mandatory Pedestrian Circulation Improvements

PCE:M. An *elevated shopping bridge* spanning Carlisle Street between the east end of the south *lot line* of block 53S and providing pedestrian access between the *elevated shopping ways* required in both blocks. Not required if block 53S has not been redeveloped to provide the *elevated shopping way*.

PCE:N. An *elevated shopping bridge* spanning Albany Street between the east end of the south *lot line* of block 54S and the east end of the north *lot line* of block 53N and providing pedestrian access between the *elevated shopping ways* required in both blocks. Not required if block 54S as not been redeveloped to provide the *elevated shopping way*.

Mandatory Lot Improvements

A *shopping way* along Greenwich Street.

Block 54S

Mandatory Pedestrian Circulation Improvements

PCE:N. An *elevated shopping bridge* spanning Albany Street between the east end of the south *lot line* of block 54S and the east end of the north *lot line* of block 53N and providing pedestrian access between the *elevated shopping ways* required in both blocks. Not required if block 54S as not been redeveloped to provide the *elevated shopping way*.

PCE:O. An *elevated shopping bridge* spanning Cedar Street between the east end of the south *lot line* of block 54N and the east end of the north *lot line* of block 54S and providing pedestrian access between the *elevated shopping ways* required in block 54S and the elevated public pedestrian circulation system required in Block 54S. Not required if block 54N as not been redeveloped to provide the *pedestrian connection*.

Mandatory Lot Improvements

A *shopping way* along Greenwich Street.

Block 54N

Mandatory Pedestrian Circulation Improvements

PCI:B An *open pedestrian bridge* spanning Liberty Street between the north *lot line*, near its middle, of Block 54N and the World Trade Center *plaza* and providing pedestrian access between the World Trade Center *plaza* and the elevated public pedestrian circulation system required in block 54N.

PCI:C An *open pedestrian bridge* spanning Greenwich Street between the north end of the east *lot line* of block 54N and the north end of the west *lot line* of block 52N and providing pedestrian access between the elevated public pedestrian circulation systems required in both blocks. Not required if block 52N has not been redeveloped to provide the *pedestrian connection*.

PCI:A. An *open pedestrian bridge* spanning Washington Street between the north end of the east *lot line* of block 56N and the north end of the west *lot line* of block 54N and providing pedestrian access between the elevated public pedestrian circulation systems required in both blocks. Not required if block 56N has not been redeveloped to provide the *pedestrian connection*..

PCI:D. An *elevated shopping bridge* spanning Cedar Street between the east end of the south *lot line* of block 54N and the east end of the north *lot line* of block 54S and providing pedestrian access between the *elevated shopping way* required in block 54S and the elevated public pedestrian circulation system required in block 54N. Not required if block 54S has not been redeveloped to provide the *elevated shopping way*.

Mandatory Lot Improvements

(a) A *shopping arcade* along Greenwich Street.

(b) A *pedestrian connection* among PCI:A, PCI:B, PCI:C and PCI:D.

Preferred Lot Improvements

An *elevated plaza* along Liberty Street (the north *lot line*). This *elevated plaza* may qualify for bonus *floor area* under the provisions of Section 86-08 (Modifications of Special Permit Regulations) if, in addition to meeting the requirements for *plazas* set forth in Section 12-10 (DEFINITIONS) as modified by Section 86-059, the *elevated plaza* also, in order to serve adequately as the northern entrance to the *elevated shopping way*

(1) provides commodious, and obviously public, pedestrian access from street level on Greenwich Street at the northeast corner of the block as well as from the adjacent blocks, as provided by PCI:A, PCI:B, PCI:C, and PCI:D, and

(2) provides for pedestrian facilities including, but not limited to, benches, outdoor cafe, or kiosks for uses from Use Group G.

Block 55S

[1]Mandatory Lot Improvements

(a) Build to *street line* on West Street.

Block 55N

[1]Mandatory Lot Improvements

(a) Build to *street line* on West Street.

Block 56S

[1]Mandatory Lot Improvements

(a) Build to *street line* on West Street.

Block 56N

Mandatory Pedestrian Circulation Improvements

PCI:A An *open pedestrian bridge* spanning Washington Street between the north end of the east *lot line* of block 56N to the north end of the west *lot line* of block 54N and providing pedestrian access between the elevated public pedestrian circulation systems required in both blocks. Not required if block 54N has not been redeveloped to provide the *pedestrian connection*.

Mandatory Lot Improvements

[1](a) Build to *street line* on Liberty Street, and West Street.

(b) A *pedestrian connection* between PCI:A and West Street (above street level near the north end of the west *lot line*).

(c) A *pedestrian connection* between the west end of (b) above and street level near the corner of West Street and Liberty Street.

(d) Acceptance of the second level (+32'-0") pedestrian bridge from Battery Park City.

Preferred Lot Improvements

A *loggia* along Liberty Street (the north *lot line*) providing a *pedestrian connection* between PCI:A and West Street (above street level near the north end of the west *lot line*).

Block 62

Mandatory Lot Improvements

(a) A *pedestrian connection* (below grade) between PCI:1 and PCI:2.

(b) A *pedestrian connection* between PCI:1 and street level near the corner of Church Street and Cortlandt Street.

(c) A *pedestrian connection* between PCI:2 and street level near the corner of Cortlandt Street and Broadway.

APPENDIX C
Elective Pedestrian Circulation Improvements ("PCI's)

Ranked List of Elective Pedestrian Circulation Improvements

Priority	Improvement	Additional *floor area* (sq. ft.)
PCI:1	Pedestrian tunnel under Church Street between block 62 and the World Trade Center.[1]	381,500
PCI:2	Pedestrian tunnel between block 62 and the Lex IRT Fulton Street Station.[2]	74,000
PCI:3	Pedestrian tunnel under Liberty Street between block 52N and the World Trade Center.[1]	222,000
PCI:4	Pedestrian tunnel under Cedar Street between the concourse from the Lex IRT Wall Street Station and block 50N and a stair to street level in block 50N.[3]	222,000
PCI:5	Modernization of the entrance and control area and provision of an escalator to street level from the southbound platform of the Lex IRT Wall Street Station (near Rector Street and Broadway).[3]	111,000

(Continued next page)

Block 62 (continued)

Priority	Improvement	Additional floor area (sq. ft.)
PCI-6	Entrance and control area and stairs to street level from the northbound platform of the Lex IRT Wall Street Station (near Exchange Place and Broadway)[6]	77,000
PCI-7	Entrance and control area and stairs to street level from the northbound platform of the Bwy BMT Rector Street Station (near Morris Street and Trinity Place).[7]	129,000
PCI-8	Rector Street pedestrian bridge. Not required until the pedestrian connection is provided from Battery Park City to the east side of West Street.[8]	31,000
PCI-9	*Open pedestrian bridge* across Greenwich Street connecting Cunard Building (25 Broadway) to the development on block 14. The modification of the Great Hall of the Cunard Building to create a *covered pedestrian space* with access from both Broadway and the *elevated shopping way* along the west side of Greenwich Street.[9]	15,000
PCI-10	Reconstruction of Exchange Alley between Broadway and Trinity Place.[10]	3,800
PCI-11	The renovation of existing easements leading into the Lexington Avenue IRT Wall Street Station, the renovation of the underpass that connects the 111 and 120 Broadway easements below platform level; the renovation of the underpass connecting the northbound and southbound platforms, below platform level, north of Exchange Place and south of Rector Street; the renovation of the stairs leading directly to the street on the west side of Broadway, in front of Trinity Church.[11]	51,000
*PCI-12	Renovation of BMT Rector Street station.[12]	109,400
*PCI-13	Design and construction of a new stair into the Fulton Street IRT Lexington Avenue station to replace existing stairs located on the south side of Dey Street, near Broadway.[13]	72,900

*_Elective pedestrian circulation improvements_ 10, 11, 12 and 13 above have a special ranking priority ahead of the numerical order and equal to each other.

Descriptions of Elective Pedestrian Circulation Improvements

(1) PCI-1. A pedestrian tunnel not less than 15 feet wide by 10 feet high by approximately 50 feet long running beneath Church Street, directly beneath the tracks of the Bwy BMT subway, beneath the lower end of the access and escalator enclosure from 1 Liberty Plaza (block 62) (approximately under the east *curb line* of Church Street) and the pedestrian concourse system of the World Trade Center and the installation of an escalator in the enclosure provided in the access to 1 Liberty Plaza.

(2) PCI-2. Lengthening the south end of the southbound platform of the Lex IRT Fulton Street Station to a point approximately 15 feet south of the south *street line* (extended) of Cortlandt Street, the construction of a pedestrian tunnel not less than 15 feet wide by 10 feet high by approximately 12 feet long between the extended platform and the north end of the east *lot line* of block 62 and the provision of a change booth and turnstiles in the tunnel and providing pedestrian access between the Lex IRT Fulton Street Station and the public pedestrian circulation system proposed for block 62.

(3) PCI-3. A pedestrian tunnel not less than 10 feet wide by 10 feet high by approximately 173 feet long running beneath Liberty Street between the east end of the north *lot line* of block 52N and the basement of the World Trade Center and providing pedestrian access between the pedestrian concourse system of the World Trade Center and the public pedestrian circulation system required by block 52N. If at the time PCI-3 is constructed block 52N has not been redeveloped so as to provide the required pedestrian circulation system, PCI-3 shall include access to the sidewalk at the south end of the tunnel by two stairs each 5 feet wide.

(4) PCI-4. A pedestrian tunnel not less than 10 feet wide by 10 feet high by approximately 75 feet long running beneath the sidewalk on the west side of Broadway and beneath Cedar Street between a point approximately 15 feet north of the north *street line* (extended) of Cedar Street and adjacent to the east *lot line* of block 50N (Liberty Park) to the north end of the pedestrian concourse from the north end of the southbound platform of the Lex IRT Wall Street Station, about halfway between Thames Street and Cedar Street and a stair not less than 12 feet wide between the north end of the pedestrian tunnel and ground level in block 50N and providing pedestrian access between the Lex IRT Wall Street Station and ground level in Liberty Park adjacent to Broadway.

(5) PCI-5. The modernization of the central portion of the southbound platform of the Lex IRT Wall Street Station (at Rector Street and Broadway), including (a) the provisoin of a 48 inch wide escalator between platform level and street level, (b) the replacement of the old turnstiles with modern turnstiles, (c) the provision of a new change booth and (d) relocation of fences, in order to improve access to and control of the station.

(6) PCI-6. A new entrance to the southern portion of northbound platform of the Lex IRT Wall Street Station at (Exchange Place and Broadway), including (a) two stairways, each six feet wide, between platform level and street level on the northeast corner of Broadway and Exchange Place, (b) the provision of a control area, (c) the provision of turnstiles, mechanical entrances and gates and (d) the provision of a change booth, in order to improve access to the station, especially from Exchange Place.

(7) PCI-7. A new entrance to the south end of the northbound platform of the Bwy BMT Rector Street Station (on Trinity Place near Morris Street), including (a) a six foot wide stairway between platform level and street level, (b) the provision of a control area at the south end of the platform, (c) the provision of turnstiles, mechanical entrances and gates and (d) the provision of a change booth, in order to improve access to the station from the south.

(Continued next page)

Block 62 (continued)

(8) PC18. A *pedestrian deck* not less than 15 feet wide by approximately 230 feet long located at an average height of 21 feet above the center of Rector Street running between the east edge of West Street and the west end of the south *lot line* of block 58S and providing pedestrian access between the pedestrian bridge which is to be built by Battery Park City as far as the east *street line* of West Street and the elevated pedestrian circulation system required in block 58S.

(9) PC19. An *open pedestrian bridge*, spanning Greenwich Street, between the west end of the Great Hall of the Cunard Building (25 Broadway) and the *elevated shopping way* required on the east side of block 14. The renovation of the Great Hall of the Cunard Building shall be in accordance with a plan prepared in consultation with the Landmarks Commission and approved by the City Planning Commission. Above not required if Block 14 has not been developed.

(10) PC110. Reconstruction of Exchange Alley for its full width between Broadway and Trinity Place.

(11) PC111. Renovate or repair walls, ceiling and floor surface, improve lighting in accordance with T.A. standards, and provide and install graphics and signage in four easements leading into Lexington Avenue IRT Wall Street Station, at 61 Broadway, 71 Broadway, 111-115 Broadway and at 120 Broadway. Renovate or repair walls, ceiling and floor surface, improve lighting in accordance with T.A. standards, provide and install graphics on the stairs and in the underpass that connects the 111 Broadway and 120 Broadway easements, below the platform level, and on the stairs and undrpass connecting the northbound and southbound platforms of the Lexington Avenue IRT Wall Street Station, below platform level, and north of Exchange Place and south of Rector Street. Renovate or repair two stairways leading from Lexington Avenue IRT Wall Street Station directly to street level on west side of Broadway, north of Rector Street, in front of Trinity Church, renovate or repair stairway kiosks at street level, subject to review by Landmarks Preservation Commission, improve lighting in accordance with T.A. standards and provide and install graphics and signage in both stairway kiosks.

(12) PC112. Renovation of BMT Rector Street Station. Rehabilitate the two existing control areas and the high turnstile exit area, including new gates and railings, new wall tile (existing mosaic strip is to be preserved) and painting (including patching and repairing as required) of ceilings. Renovate eight street stairs, including new treads, wall tile, painting of ceilings and provision of new railings and light poles, at street level. Provide new floor tile throughout the station along with repair of scrubber rooms and scrubbing machines, paint remaining ceilings, all columns and miscellaneous surfaces. Replace existing incandescent light fixtures in control areas, high turnstile exit area and stairways with new flourescent fixtures and add supplemental platform lighting, upgrade electrical service as required. Provide acoustical treatment including acoustical block between the trackways and, if required, acoustic treatment under the platform edge and above the platform or track area. Provide new platform furnishings including benches and trash receptacles. Provide artwork in the station. Provide graphics and signage as required. All work is to be done in accordance with T.A. standards.

(13) PC113. Design and construction of a new stair into the Fulton Street IRT Lexington Avenue station to replace existing stairs located on the south side of Dey Street, near Broadway. Demolish two existing narrow staircases, excavate required area, relocate utilities as required and construct a new 120 foot wide stair and landings. Reconstruct and widen the adjacent sidewalk and make necessary modifications to roadway in accordance with NYC Department of Transportation requirements, to accommodate the new stairway. The stair shall be designed in accordance with T.A. standards and shall include new floor-, wall and ceiling finishes, new lighting and graphics to match and be contiguous with work proposed under the T.A.'s Station Modernization Plan.

Attachment 6

Excerpt on Joint Development,

from Metrorail Station Area Planning

Washington, D.C.

3. WMATA AND DEVELOPMENT

Public Law 89-774, approved November 6, 1966, gives WMATA the authority to acquire real property. Article V, Section 12(d) states WMATA may:

> . . . acquire, own, maintain, sell, and convey real and personal property, and any interest therein by contract, purchase, condemnation, lease, license, mortgage or otherwise, but all of said property . . . shall be necessary or useful in rendering transit service or in activities incidental thereto, . . .

Article XVI, Section 82(a) states:

> . . . The Authority shall have the power to acquire by condemnation, whenever in its opinion it is necessary or advantageous to the Authority to do so, any real or personal property, or any interest therein, necessary or useful for the transit system authorized herein, except property owned by the United States, by a signatory or any political subdivision thereof, or by a private transit company.

The transit authority is guided by the above requirements which limit its development activities to lands necessary to construct the rapid transit system. In 1981 WMATA established an ambitious Station Area Development Program within a newly organized Office of Planning and Development. A Development Branch within the Office was given primary responsibility for the new program.

The Metro Development Program

As Metro's construction program progressed and more of the rail system became operational, by 1981 it became increasingly evident that substantial advantages could accrue to WMATA's benefit by promoting more intensive development at or near appropriate station areas. These benefits include an increase in ridership and the provision for income to the Authority. The specific goals and objectives of the Authority's development program, which provide benefits not only to WMATA but also to local governments and the Washington region, are:

Goals

- Enhancement of levels of mass transit use;
- Conservation of petroleum-derived energy;
- Allocation of scarce resources in more optimal fashion;
- Reduction of urban sprawl; and
- Encouragement of good quality development.

Objectives

- Reduction of petroleum product use in the transportation sector;
- Substitution of greater numbers of auto trips with rail/bus trips;
- Reduction of travel time;
- Addition of real property to the tax rolls;
- Increase in tax base;
- Improvement of cost/benefit ratios of public goods and services provided by local government; and
- Provision of revenue to WMATA for subsidy offset.

In order to realize the potential benefits which exist, as expressed in these goals and objectives, the development program was instituted in the WMATA Office of Planning and Development. This organizational structure recognizes the close inherent relationship which exists between Metro system planning and development functions. It also provides an improved development mechanism to local area governments, the development community, and to the public.

Policies

1. "It shall be the general policy of WMATA to promote, encourage, and assist in the creation of high-quality, more intensive development at or near appropriate station areas.

2. "It shall be the policy of WMATA to study the development potential which may exist at present or future station areas and to prepare a development program, and in a longer range time frame, with a three to five year work program, and in a longer range time frame, which will identify actions and positions by the Authority to enhance or protect the longer range development potential.

3. "It shall be the policy of the Authority to advocate positions before the public, local government entities, the development community, and others which promote high-quality, more intensive development at or near station areas.

Source: WMATA, Management Memorandum Number 713, October 5, 1981.

Joint Development

Partly in response to meeting financial requirements of transit, the Washington Metropolitan Area Transit Authority (WMATA) instituted a Station Area Development Program. Two of the major elements of this program are joint development and system interface projects. The two program elements are defined by WMATA as follows:

- Joint Development: (1) The close physical integration of transit facilities with real estate development; (2) the disposition, by lease or by sale, of excess WMATA-owned or controlled real property interests including air rights, at or near a station area which, because of their close proximity to station facilities, have significant potential for commercial, residential, or related development, alone or in combination with adjoining real property interests to further the Authority's development-related goals and objectives; and

- System Interface: A project that involves the direct physical tie-in of pedestrian, vehicular or visual access to WMATA facilities from adjoining private or public development. WMATA tie-in facilities could include station mezzanines or entrances, kiss and ride, parking, or bus areas.

Historically, WMATA's joint development projects have typically included the "right" of system interface access to its joint developer. This right has been granted by WMATA as one of the "bundle of rights" conferred to the joint developer via a long-term lease. Additionally, consideration for compensation for system interface rights has been included within these joint development agreements. The distinction between these two concepts is illustrated by 1101 Connecticut Avenue -- A joint development project under long-term lease -- which includes the right of system interface, or direct access, along with a number of other rights, such as the leasing of air rights. On the other hand, the direct physical connection at 11th & G Streets, N.W. between the Metro Center mezzanine (owned by WMATA) and Woodward and Lothrop (an adjoining, privately-owned department store) is a system interface project.

Source: Gladstone Associates, "System Interface: Economic Impact and Implications of Direct Access to Metro." Prepared for WMATA, May 1982.

Synopsis of Joint Development Projects

Bethesda Station

R&K Metro Associates are leasing a 3.59 acre site from WMATA for an initial term of 50 years to develop a package that includes a 17-story office building, a 12-story, 355-room hotel, a 3-level retail arcade, 4 levels of underground parking, and an underground Metrobus and kiss & ride level, all linked together by a large landscaped plaza. Construction commenced in 1983.

Van Ness-UDC Station

Prudential Insurance Company of America in 1983 completed construction of a 7-story office and retail building at WMATA's Van Ness-UDC Station site, where Prudential leases the approximate 1.5 acre site from WMATA for an initial term of 50 years. Development will incorporate an underground level for kiss & ride as well as weather protected bus bays at the rear of the building.

McPherson Square Station

Construction has commenced on a 13-story retail and office building at the southwest entrance of the McPherson Square Metro Station, a 17,710 square foot site. When completed in the Fall of 1983, this development will boast a direct underground connection to Metrorail. The developer, 14th and Eye Streets Associates, a limited partnership headed by Melvin Lenken, leases the ground from WMATA for an initial term of 50 years.

Farragut North Station

The Connecticut Connection, located on the northeast corner of Connecticut Avenue and L Street, N.W., is a 12-story office and retail building which enjoys direct below-grade access to Metrorail at one of the busiest intersections in downtown Washington, D.C. The lessee developer, Miller/Connecticut Associates, was selected in April, 1975 by WMATA to develop the 17,566 square foot site which was completed for occupancy during the Summer of 1978.

Rosslyn Station

Rosslyn Metro Center is a 22-story mixed retail and office development adjacent to and interconnected with the Rosslyn Station mezzanine. Completed for occupancy in the Fall of 1979, this development features elevated pedestrian walkway connections to neighboring office buildings, a through block arcade connecting the second level to Wilson Boulevard and an at-grade pedestrian passageway to the local bus stop on N. Moore Street. The developer, Rosslyn Center Associates, combined 31,286 square feet purchased from WMATA with their own adjacent site to yield a total of 68,225 square feet for development. From this, 11,000 square feet were dedicated to Arlington County for park purposes while the development rights were transferred to the remaining 57,225 square

foot site to yield a building 5 to 6 stories higher than would have otherwise been possible.

Friendship Heights Station

Final site plan approval was granted in 1982 for the development of a 13-story office and retail building adjacent to the north entrance of the Friendship Heights Metro Station. Based on a letter of understanding between WMATA and the Chevy Chase Land Company, WMATA will convey title to the bus terminal site located north of Wisconsin Place in exchange for reserved easements for its station entrance and a new bus facility to be built by the developer and incorporated within the development. Wisconsin Place is to be abandoned and incorporated within the development site area of 59,660 square feet. Construction commenced in late 1982.

Gallery Place Station

WMATA accepted a proposal for joint development at the Gallery Place North Metro site east of Seventh Street, N.W., between G and H Streets. The proposed project, called the "Far East Trade Center," will be a mixed-use project containing a 527-room hotel, 220,000 square feet of office space, at-grade and below-grade retail space, 165 apartments and underground parking. The high-rise structure above the Metrorail station will reflect Washington's adjacent Chinatown through its distinctly Oriental design.

Project Details

Detailed project descriptions on the above are found in Appendix A.

Joint Development Process

Fostering joint development of a transit property and a real estate project is an extremely complicated process. The complexities are illustrated on the flow chart which shows 33 steps and numerous points where the process may be halted. Each project described above has gone through this process.

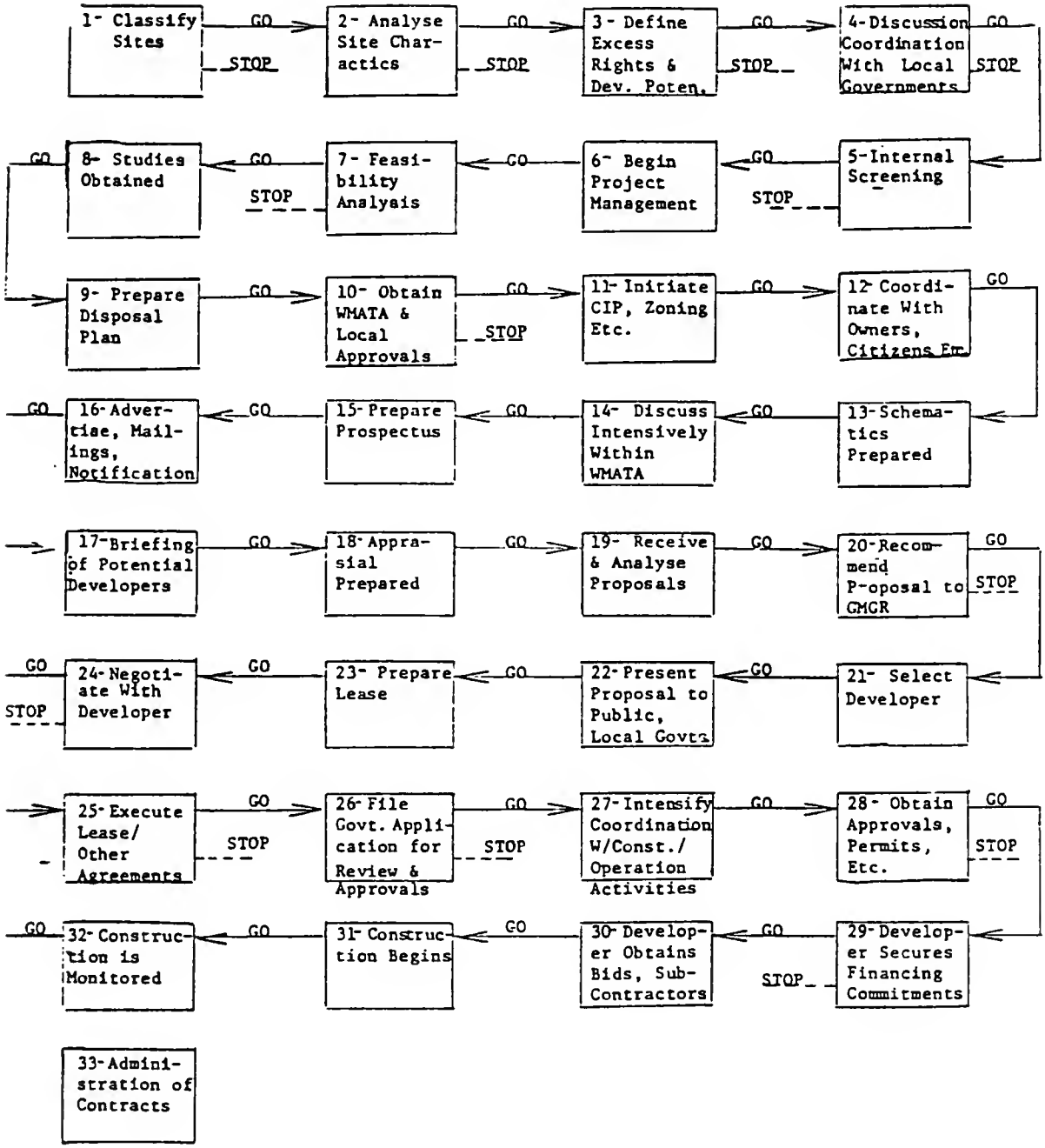
Future Joint Development Projects

The Metro Development Program staff has initiated joint development feasibility studies at a number of additional stations. These studies typically include the following elements:

- land use and design;
- transportation/traffic; and
- financial, fiscal, and market considerations.

FLOW CHART OF

WMATA JOINT DEVELOPMENT PROCESS



The studies are intended to forward joint development through its process from planning to implementation (development) by identifying and resolving applicable issues.

The following stations are subjects of current joint development studies:

- New Carrollton
- Huntington
- Rhode Island Avenue
- Glenmont
- Grosvenor
- Dunn Loring
- West Falls Church
- Rockville
- Court House
- Addison Road
- Silver Spring

Costs and Benefits of Joint Development

In a WMATA study, cost/benefit analysis was used to evaluate two joint development projects: the first, at the Bethesda Metro Station Site, began construction in 1983 and is to be completed in 1986; the second, at the New Carrollton Metro Station Site, is in the preliminary planning stage and would most likely not be completed before 1990.

At Bethesda, Maryland, the approved mix will include separate hotel and office structures with related retail uses and a retail arcade structure, all totaling to about 625,000 square feet.

At New Carrollton, Maryland, preliminary indications are that WMATA's site could ultimately support a mixed use project of about 1,200,000 square feet, consisting of hotel, office, and retail uses.

The study attempted to identify the major costs and benefits to WMATA and to the local jurisdiction involved (Montgomery County at Bethesda, Prince George's County at New Carrollton). Where possible (given timing and resources constraints) these costs and benefits were quantified. Where possible, major quantifications were put in monetary terms related to value.

In the case of Bethesda, it was found that the major incremental monetary benefits to WMATA and Montgomery County will exceed costs

by $130 million over a 50-year period (1985 to 2035) in terms of present value. The respective net benefits accruing to WMATA will exceed $48 million, and to Montgomery County will exceed $81 million. The former represents a ratio of benefits to costs of 39:1. The latter represents a ratio of 45:1.

The proposed project at New Carrollton was estimated to generate benefits to WMATA and Prince George's County exceeding $73 million over a 50 year period (1990 to 2040) in terms of present value. The respective net benefits accruing to WMATA are $25 million; to Prince George's County $48 million. The ratio of benefits to costs for WMATA is 3.2:1. For Prince George's County the ratio is 33.4:1.

Cost/benefit analysis was found to be a useful technique in evaluating the two projects. The study recommended that the technique be refined to more closely fit proposed joint development projects at WMATA to enhance rational decision making.

Source: "The Washington Metropolitan Area Transit Authority Joint Development Program: An Illustrative Cost - Benefit Analysis of Two Projects," by Wayne Upshaw and John Green, WMATA Office of Planning and Development, 1981.

System Interface (Direct Access)

Policies

A recent subject of discussion by the WMATA Board related to policies and practices involving fees charged developers desiring to construct projects with direct physical access to subway stations. Such commercial tie-ins to the Metro system have occurred over the brief history of Metro at the following:

1. Woodward and Lothrop at Metro Center Station;

2. International Square at Farragut West Station;

3. Woodward and Lothrop at Friendship Heights Station;

4. Crystal City;

5. L'Enfant Plaza; and

6. Pentagon City.

(Detailed descriptions of these projects are found in Appendix B.)

The WMATA Board decided in March 1983 generally to reaffirm the following policies on direct access agreements:

1. Businesses should construct entrances at their own expense into "free" areas of Metro stations;

2. Negotiations on direct access compensation paid by businesses should occur on a case-by-case basis;

3. Compensation should be paid to WMATA and any revenues realized should be applied to WMATA system revenues to offset operating deficits. The transit system should share the benefits of the enhanced value of the development project due to Metro; and

4. The WMATA Board will decide on requests by staff to negotiate and execute a contract with a developer desiring direct access.

The WMATA Board also established as policy the right of local governments to express written opinions on direct access agreements for the Board's consideration.

Economic Impacts of Direct Access Projects

The following is from a Gladstone Associates study prepared for WMATA.

The main findings are that:

- Potentially significant value can be created by system interface. System interface can positively impact properties adjacent (and in some cases non-adjacent) to Metrorail facilities.

- System interface can be mutually beneficial to WMATA and to property owners.

- Based on preliminary physical planning analyses by WMATA, opportunities exist for some 150 system interface projects over the full planned 86-station system. In order of magnitude terms, these projects could generate $60 to $75 million (in 1982 dollars) in economic impacts that could be shared between WMATA and property owners.

An important element of the study was to identify the economic impacts of system interface -- the potential benefits and costs to participating property owners, WMATA and the general public. System interface impacts were categorized in an analytical framework, broken down as between benefits and costs by party affected. These impacts from the perspective of property owners and WMATA are summarized below.

BENEFITS AND COSTS OF DIRECT ACCESS

Party Affected - Participating Property Owners

Type of Impact

Benefits:

- Local government concessions resulting from relaxed zoning or other public requirements granted in recognition of system interface. Concessions could include density bonuses or reduced parking requirements.
- Change in use of portions of affected properties to a "higher" use offering greater economic return (i.e., through higher rents). An example would be the conversion of basement parking space into retail space oriented toward transit users. (See Exhibit, Change In Use)
- More intensive use opportunities created by improved access -- convenience, more direct routing, and shelter -- generating increased rent potentials. (See Exhibit, Upgrade in Use)

Costs:

- Start-up costs incurred in the design and planning of system interface projects.
- Capital costs which might include passageway and entrance construction and finishes, relocation of WMATA equipment, escalators, and landscaping.
- Operating Costs for maintenance, utilities, security costs, insurance.

Party Affected - WMATA

Type of Impact

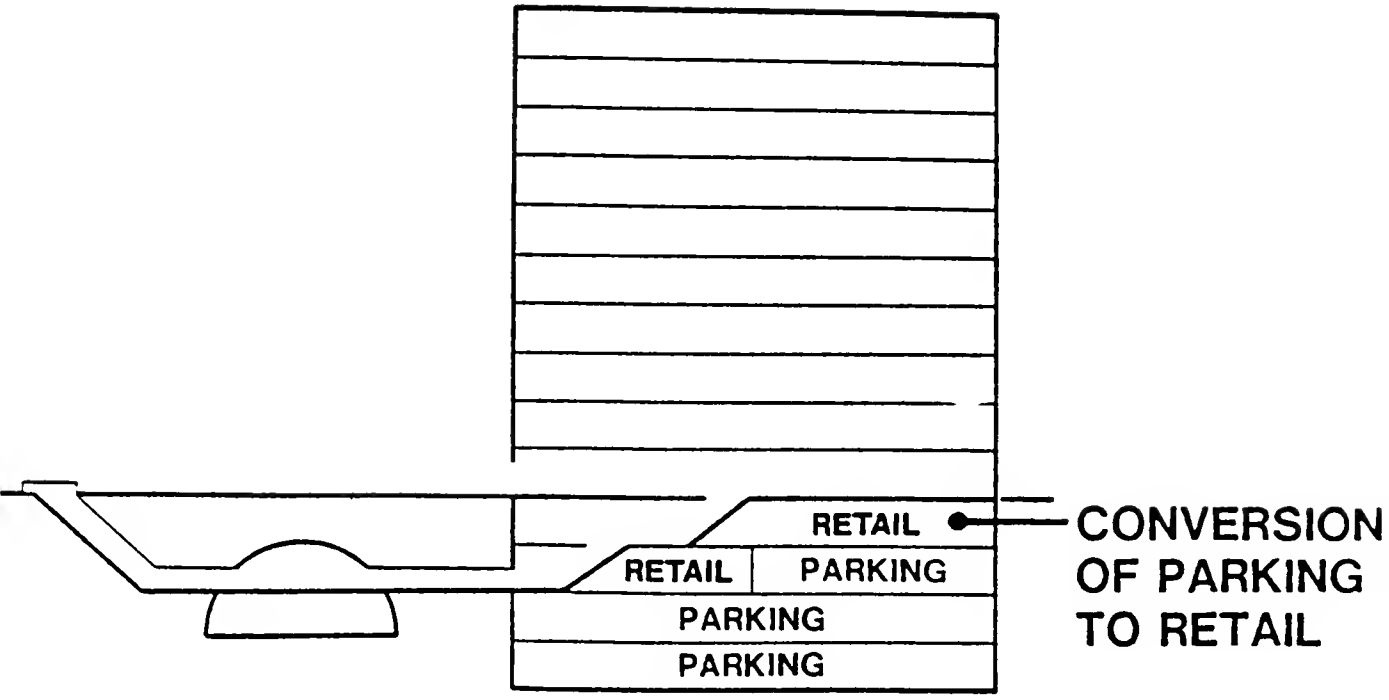
Benefits:

- Ridership amenities from the convenience and shelter provided by system interface. While these benefits will be captured largely by transit users, system interface amenities may help maintain ridership.
- Induced ridership to the extent that system interface projects can generate new travel demand. Generally these benefits will not be significant.
- Potential increased revenues obtained through negotiated agreements based on the benefit sharing concept.

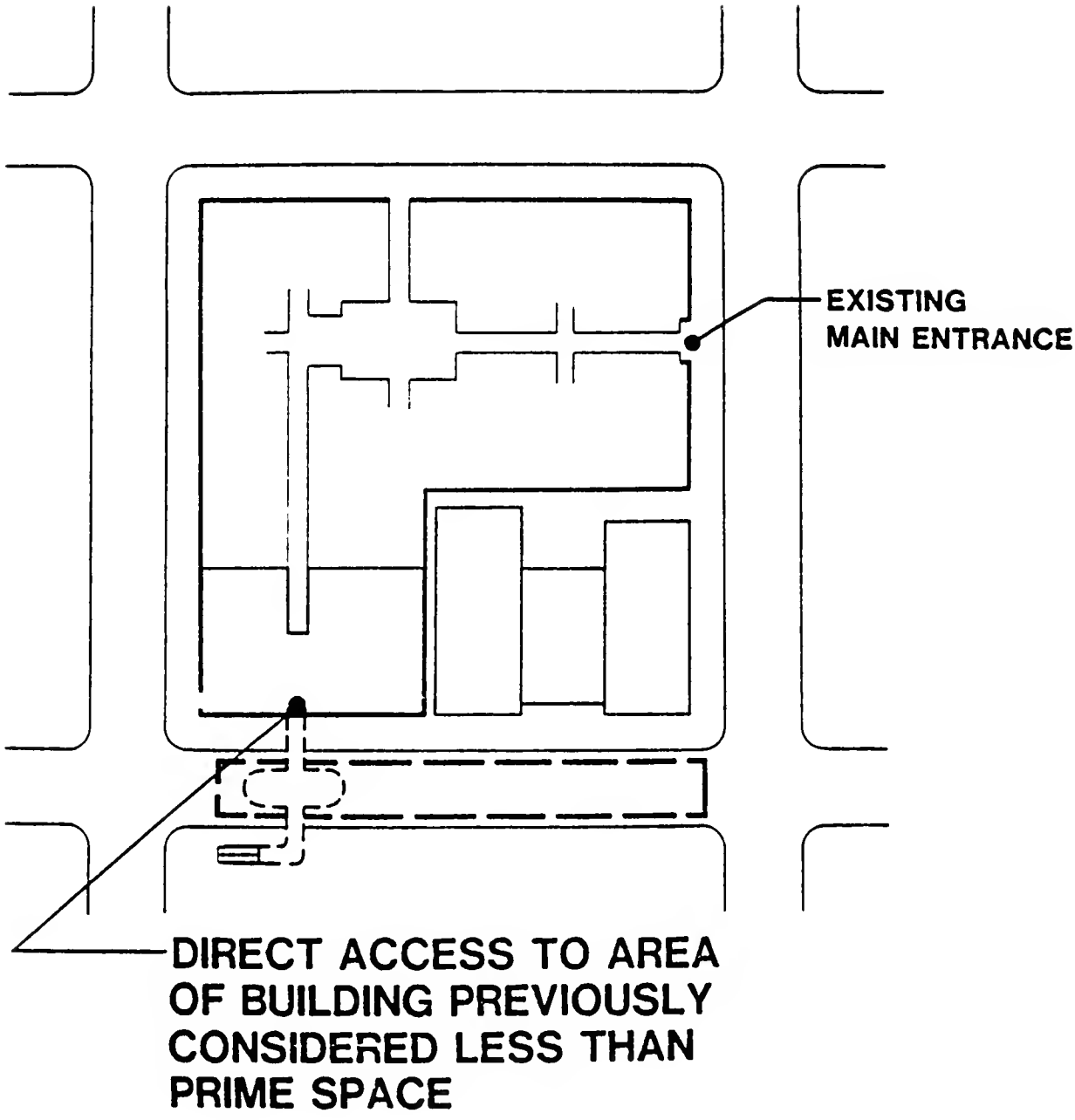
Costs:

- Start-up costs incurred in planning, design, and negotiations.
- Administrative costs of the system interface program.

Source: Gladstone Associates, "Summary of System Interface: Economic Impact and Implications of Direct Access to Metro." Prepared for WMATA, May 1982.



CHANGE IN USE



UPGRADE IN USE

Estimating System Interface Impacts

Several alternative approaches to estimating system interface impacts were discussed in the Gladstone study and considered for use in specific project case studies developed for WMATA. These approaches include:

- Direct appraisal;
- Formulas for value;
- Economic impact analysis;
- Financial analysis; and
- Econometric analysis.

Among these alternatives, financial analysis was selected for the case studies. This approach analyzes system interface in terms of its impact on the financial return to an affected property owner. Results from this approach are expressed in terms of system interface residual values.

The financial analysis approach for this study offers several advantages. It is generally simple and direct compared to the alternatives. It allows for uniform assumptions about certain project variables, further simplifying the analysis. It also readily permits changes in key assumptions so as to provide sensitivity analyses of the results. This approach does not require expensive, time consuming statistical analysis. Rather, it relies upon information based on direct interviews with persons knowledgeable about these projects and the Washington real estate market, supplemented by our own judgments and research.

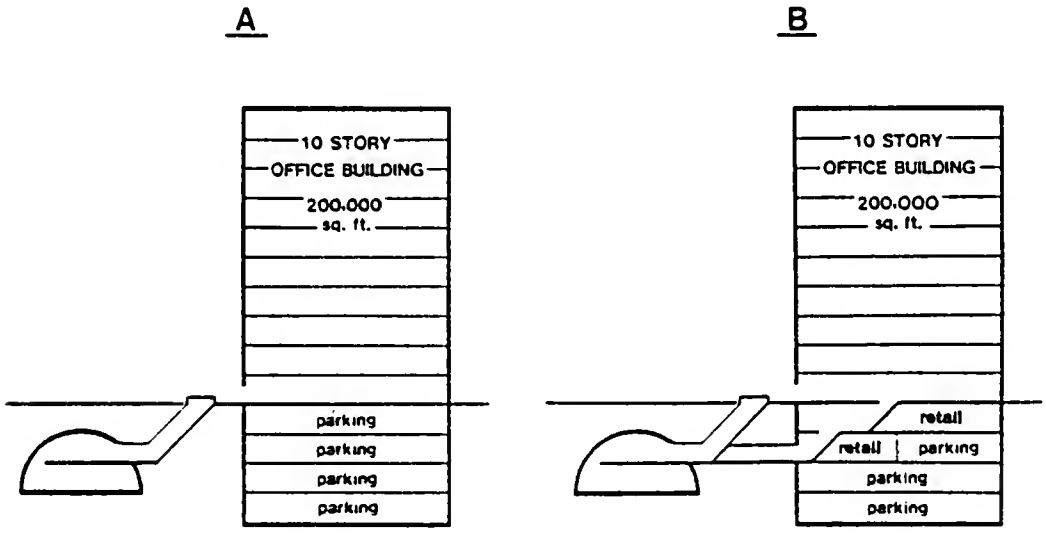
In the case studies, this approach utilized the Land Value Residual Method, which is routinely used by professional appraisers and others in the real estate industry. As applied to any development project, the Land Value Residual Method includes the following steps:

- Calculation of net income from the project (expressed as net operating income);
- Capitalization of net income (in which project income is divided by a predetermined annual interest rate) to determine project value (expressed as supportable development costs);
- Establishment of building cost estimates (expressed as system interface improvement costs in this study); and

- Derivation of residual value (project value. less improvements value yields a residual imputable to the land or other contributing factors such as system interface).

Once a residual value is established for a project's "base case" (without system interface), increases in that value under a "system interface case" can be attributed to direct subway access. This approach is illustrated in in the following Exhibit, Illustration of Value Created.

ILLUSTRATION OF VALUE CREATED BY SYSTEM INTERFACE



Residual Value of Project A

$25 MILLION

Residual Value of Project B

$26 MILLION

Value created by System Interface:

$1 MILLION